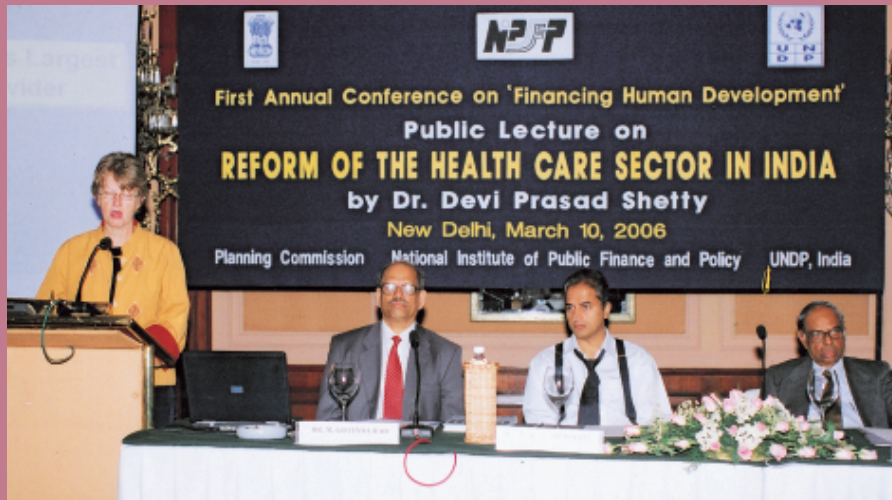


## **Annual Report 2005-2006**

National Institute of Public Finance and Policy  
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NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY  
NEW DELHI





Annual Conference on Financing Human Development, New Delhi, March 10, 2006



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**NATIONAL INSTITUTE OF  
PUBLIC FINANCE & POLICY**

**ANNUAL REPORT 2005-06**



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# 1 OVERVIEW

*The National Institute of Public Finance and Policy (NIPFP) has completed three decades of contribution to research, advocacy, and capacity building in public economics and fiscal policy. During these years, it has built strong linkages with governments and academic institutions in India and abroad. In 2005-06, the Institute has strengthened its position as a premier think tank in public finance and built a reputation as an institution providing analytical basis for influential fiscal policy. The year has been productive and satisfying for NIPFP as it completed 21 research studies, and another 13 studies are in various stages of completion. In addition, ten working papers, including two from the newly constituted Tax Research Unit sponsored by the Ministry of Finance were brought out by the faculty members (see list at Annexure-I).*

*During 2005-06, the NIPFP undertook a number of studies sponsored by central and state governments, the Planning Commission, and bilateral and multilateral donor agencies. The State Development Reports for Sikkim and Andaman and Nicobar Islands identified strategic areas of intervention for accelerating development in the state/union territory. The study on State Finances analysed the causes of deterioration in the fiscal health of the states during the period, 1990-2003, brought out adverse consequences of poor state of finances on social and physical infrastructure spending, and underlined the threat to calibrating sustainable fiscal policy. The study on Reforming the Budgetary System of Uttar Pradesh examined the existing budgetary processes and identified reforms to improve budgeting practice and expenditure management control. The parallel study on Medium Term Expenditure Policy of the state worked out the size and composition of expenditures for the medium term, consistent with the fiscal restructuring plan of the state government. The study on Chattisgarh State Finances identified reform areas in the fiscal policy of the state. The Institute also undertook a detailed study of State Finances in Rajasthan at the request of the state government.*

*The Institute organised World Bank sponsored regional workshops under the programme, Capacity Building for State Level Budgetary Analyses for media persons in Pune to cover media persons from the western region. In collaboration with the Administrative Staff College, Hyderabad, the Institute successfully completed the ADB sponsored project on State Government Budget Constraints and Social Services under the research programme Policy Research Networking to Strengthen Policy Reform. NIPFP assisted the Department of Women and Child Development(DWCD) with a methodological framework to assess Gender Budgeting in nine*



departments and bodies that have set up gender budgeting cells. The two NIPFP faculty members who authored the study were also the resource persons for two workshops organised for the purpose.

The need for urban reforms, potential bottlenecks and the reform agenda were addressed in the study *Rapid City Assessments in Support of the City Challenge fund (Ludhiana and Rajkot)*. In the study, Alternatives to octroi, fiscal reforms required to compensate the revenue loss arising from the abolition of octroi in Punjab were addressed. Research inputs were provided to prepare toolkits for formulation of city development plan and for setting a timeline for implementing the urban reform agenda for the Ministry of Urban Affairs. The study on *Resource Devolution from Centre to State: Enhancing Revenue Capacity of States for Implementation of Essential Health Interventions*, assessed the resource requirements for meeting certain targets in the health sector and analysed the gap between the required health expenditure to enable provision of services to achieve normative health standard and the actual expenditure in 15 major states in India. Based on this, the extent of resource devolution required from centre to states has been estimated.

Implementation issues involved in the recently enacted, National Rural Employment Act were identified in a workshop and subsequently discussed in the report submitted to the Administrative Reform Commission. The project on *Financing Human Development* sponsored by the UNDP included a conference in which a public lecture *Reforming the Health Care Sector in India* was delivered by Dr. Devi Prasad Shetty, Chairman, Narayana Hrudalaya, Bangalore, and Asia Heart Foundation, Kolkata.

The faculty of NIPFP continued to contribute to policy making through various advisory committees of the government and international organisations. C. Rangarajan, Chairman, NIPFP, continues to be the Chairman of the Economic Advisory Council to the Prime Minister and M. Govinda Rao, Director, NIPFP is one of the Members of the Council. The Director was also called upon to contribute as member of two expert groups of the Planning Commission to study planning at the grassroots level; and to develop concrete proposals for restructuring the centrally sponsored schemes. He is a Member of the committee of experts for analysing the World Bank loan conditionalities to the Powergrid Corporation. He is also a Member of the working group appointed by the Ministry of Panchayati Raj on Democratic Decentralisation and Panchayati Raj Institutions for the formulation of the 11<sup>th</sup> Five Year Plan. His other advisory roles included, Member of Consultative Group, Inter-State Council Secretariat, Ministry of Home Affairs; and Reconstituted Planning Board of the Government of NCT, Government of Delhi.




*Indira Rajaraman, RBI Professor, was the Chairperson of the Public Expenditure Review Committee, Kerala. She is a member of Public Expenditure Review Committee of Rajasthan as well as the Economic Policy and Reform Committee of the State. Navroz Dubash, Senior Fellow was member in the Expert Group constituted by the Planning Commission to Review the Issue of Groundwater Ownership in India. Kala S. Sridhar was a special invitee to Delhi Finance Commission to discuss implications of suburbanisation of Delhi for their report to the NCT of Delhi. O.P. Mathur, Principal Consultant was nominated member of the National Review Committee on Jawahar Lal Nehru National Urban Renewal Mission (JNNURM) headed by the Prime Minister; also the Technical Advisory Group set up by the Ministry of Urban Affairs. He also accepted membership of the Enhancement of Knowledge Base on Urban Transport in India, of the same ministry, and of the Expert Committee on Urban Transport, Planning Commission of India.*

*NIPFP's partnerships with international organisations like the World Bank, UNDP, DFID, ADB, Forum of Federations, Canada resulted in several workshops with participation from civil servants, academics, representatives of bilateral and multilateral lending agencies, NGOs and corporate persons. There were seven in-house seminars at NIPFP (list at Annexure-II) given by scholars of international repute. M.G. Rao and Indira Rajaraman are members of the Tax Policy Group in the Initiative for Policy Dialogue initiated by Joseph Stiglitz of Colombia University with assistance from UNDP.*

*The Institute, as in the past, organised training programmes for officials at all levels of government—central, state, and local. A three-week training programme on Fiscal Policy for probationers of Indian Audit and Accounts Service was conducted and on similar lines, a two-week module for the probationers of Indian Economic Service was organised. Two one-week courses on Practical Issues in Fiscal Policy were conducted for middle level officials of the Government of Assam. A series of courses on VAT Design and Implementation Issues were conducted for officials of the C&AG; SCOPE; and State commercial Tax Departments. A notable training programme initiated during the year was the World Bank sponsored, Refresher Training Programme for College and University Teachers. Furthermore, the NIPFP undertook two four-day training programmes for Sri Lankan Revenue Officers.*

*With funding support from the Ministry of Finance, the NIPFP in June 2005 set up a Tax Research Unit at the Institute to facilitate tax officials from Central Board of Direct Taxes (CBDT) and Central Board of Excise and Customs (CBEC) to undertake research in direct and indirect taxes. Also, the Institute with financial assistance from the Planning Commission has set up a databank*





*on State Finances. The Computer Unit and the Library of NIPFP continued to upgrade their capacity and support to the vital needs of the researchers. The Publications Unit served as a hub for activities related to editing, designing, printing, and publishing of study material.*

*During the year 2005-06, the Governing Body of the Institute (Members at Annexure-III) met twice to review the academic, administrative, and financial activities undertaken by NIPFP. Proposal for constructing a separate training centre for the Institute on the land allotted by DDA adjacent to the existing building has been taken up with the Ministry of Finance. The construction of the building is likely to be completed by the end of 2007.*

*D.K. Srivastava, Senior Fellow, left the Institute in July, 2005 to join Madras School of Economics as Director. Subhash Garg of the IAS was Principal Consultant at NIPFP for nine months; Bulbul Sen, Commissioner of Income Tax is NIPFP Principal Consultant in the Tax Research Unit. Somik Lall of the World Bank was a Visiting Fellow for nearly seven months. Anit Mukherjee is a Consultant in a UNDP Project. Puranchand Upadhyay completed 25 years of service at NIPFP on April 13, 2005.*



## 2 RESEARCH ACTIVITIES

*The Institute's research interests in the various areas of public economics are reflected in its projects. Abstracts of studies completed, nearing completion, or making headway are outlined below.*

### CENTRAL FISCAL STUDIES

#### COMPLETED STUDIES

- **Gender Budgeting and its Impacts on Various Programmes**, (December 2005) *Lekha Chakraborty and Kala S Sridhar*

NIPFP assisted the Department of Women and Child Development (DWCD) with a methodological framework to assess the impact of gender budgeting in nine central government departments. The faculty involved also served as expert resource persons in two workshops organised by the DWCD for the nine departments and for several other departments that have set up gender budgeting cells. The objectives of these workshops were to enable the ministries prepare gender incidence analysis and impact assessment in terms of benefit to women.

- **Strengthening of Financial Management for Rural Employment Guarantee Scheme** (January 2006) *M. Govinda Rao and Pinaki Chakraborty*

The objective of this workshop was to identify and arrive at policy recommendations to overcome various constraints to implementation of the recently enacted *National Rural Employment Guarantee Act*. A group consisting of academicians, policymakers, and executive authorities from the central and state governments and ground level activists participated in this workshop. A report titled, Implementation Issues of National Rural Employment Guarantee Act has been subsequently submitted to the Administrative Reforms Commission.

- **Estimation of Corporate Tax for the Largest 10 percent of the Companies in Various Sectors of the Economy and Size-Wise Classification of Companies in the Indian Corporate Sector and their Gross Value Added and Corporate Tax Paid** (July 2005) *A.L. Nagar and Sayan Samanta*

Using PROWESS database, distribution of number of companies over three year sub-periods (1989-90 to 1991-92, 1992-93 to 1994-95, etc. upto 2001-02 to 2003-04) has been obtained for manufacturing, mining, construction, electricity and services sectors. The selected companies

have been classified according to their size (i.e. sales and total assets), and allocated to decile groups. The gross value added and corporate tax paid by companies are obtained. The corporation tax paid by the largest 10 percent of the companies have been analysed by sectors.

• **Projection of Quarterly CT and IT Receipts for the FY 2005-06 and Updated Projections of CT and IT Receipts for the FY 2005-06** (October 2005) *A.L. Nagar, Sanjay Kumar, and Sayan Samanta*

Tax receipts model is primarily targeted at short-term forecasting and monitoring monthly (quarterly) tax receipts over a financial year. In this paper, quarterly tax data available upto the second quarter of 2005 has been employed to forecast tax revenue from corporate tax (CT) and personal income tax (IT) for the FY 2005-06. In the second paper, the tax receipts model has been used to forecast CT and IT for the FY 2005-06, using quarterly tax receipts data upto the third quarter of 2005.

• **Trends and Issues in Tax Policy and Reform in India** *M. Govinda Rao and R. Kavita Rao*

The study was taken up as a part of the continuing research in the Tax Research Cell. A detailed paper covering the reform of central and state tax systems was prepared and was brought out as a working paper of the Cell.

• **Revenue Implications of Central Tax Exemptions** *R. Kavita Rao, Amaresh Bagchi, and Bulbul Sen*

The study was carried out as a part of continuing research in the Tax Research Cell. It estimates the cost of various tax preferences in terms of the revenue forgone. Both direct and indirect taxes are covered in the study.

## STATE FISCAL STUDIES

• **Capacity Building for Fiscal Reforms in Sikkim** (December 2005) *NIPFP study team in association with experts*

NIPFP undertook this consultancy from the Asian Development Bank through the competitive bidding process. The study relates to building capacity in the state to undertake fiscal reforms. Various components of the project include enhancing the budgeting system, expenditure management and control, restructuring of the departments to enhance efficiency, reforms in the tax system, assistance to introduce value added tax (VAT), public enterprises restructuring programme and assistance in building the statistical system for measurement of state income and poverty. A. Premchand was the team leader of the project.



• **Uttar Pradesh: Reforming the Budgetary System** (November 2005) *D.K. Srivastava, C. Bhujanga Rao, and Manish Gupta*

This study examines the existing budgetary processes and suggests reforms with a view to establishing an efficient budgetary system in Uttar Pradesh broadly covering the following areas:

- outlining the budget cycle: initiation and consolidation of demands of various departments and revenue proposals;
- framework for consistency with macro and state level fiscal policy and targets;
- monitoring the quality of budget estimates;
- improving the process of appropriations and actual expenditures; and
- reforming the processes of ex-post verification and evaluation.

A coherent approach to budget reforms involves aggregate and binding fiscal targets, incentive for improving allocation and utilisation of resources, autonomy of departments and decentralisation of responsibilities and outcome budgeting.

• **Uttar Pradesh: Medium Term Expenditure Policy** (November 2005) *D.K. Srivastava, C. Bhujanga Rao, and Manish Gupta*

This study examines appropriate structure of expenditure in terms of size and composition and formulates a medium-term expenditure policy for Uttar Pradesh. The study outlines the dimensions required for restructuring of expenditure in Uttar Pradesh. The study also broadly covers the following areas: basic considerations in formulation of medium-term expenditure policy; trends and structure of expenditure in Uttar Pradesh; expenditure policy; link between expenditure and its financing; and measures to improve efficiency of government expenditure.

The fiscal situation of the state calls for multi-dimensional reforms, augmenting tax revenues with distortion-minimising tax reforms, reducing interest payments, curbing growth of government employment, introducing a new strategy for handling pension liabilities, revamping state level public enterprises, curbing contingent liabilities and bringing debt within sustainable limits. To achieve a greater control and more effective intervention, the Fiscal Responsibility and Budget Management Act [FRBMA] provides for reducing revenue deficit to zero by 2008-09, among other targets. This would help the state take benefits of the debt consolidation and relief facility based on the recommendations of the Twelfth Finance Commission.

Given the FRBMA, a seven-point strategy of expenditure reforms is suggested:

- pension reforms;

- salary and employment related reforms;
- subsidy reforms;
- capital expenditure augmentation;
- new plan strategy;
- improving efficacy of government expenditure; and
- rationalisation of support to public sector.

• **A Study of State Finances in India (1990-01 to 2002-03)**(March 2006) *Subhash Chandra Garg*

The study conducted for the Planning Commission covering the period 1991-2003, analyses the problems and reform issues in state finances. The study provides an analysis of states' revenue expenditure on public goods, merit goods, non-merit goods, and non-goods highlighting changes taking place. The analysis brings out fluctuating nature of the tax revenues and decline in the contribution from non-tax revenues. The analysis concludes that states' fiscal balance deteriorated sharply from mid-nineties which led to states' aggregate debt ballooning to constitute over 300 % of its total revenues. This study also presents a comprehensive analysis of central transfers to states. The study makes a number of recommendations for achieving sustained improvement in state finances.

• **Expert Fiscal Policy Advice to Government of Chhattisgarh** (March 2006) *Subhash Chandra Garg and Tapas Sen*

The Government of Chhattisgarh commissioned the Institute to provide expert advice on seven specific issues relating to the finances of the state government which are : a) implications of changed system of Central Plan Loans for the Government of Chhattisgarh; b) foreign exchange risk management for externally assisted loans; c) institutional framework for better cash flow management; d) borrowing and debt management strategy; e) institutional arrangements for sound assessment of off-budget and contingent liabilities; f) fiscal responsibility and budget management rules; and g) performance measurement in selected departments.

• **Study for Preparation of an FRBM Bill and Restructuring of State-Local Finances for Rajasthan** (September 2005) *Indira Rajaraman, O. P. Mathur, and Debdatta Majumdar*

This project was directed at preparing a fiscal responsibility and budget management bill for Rajasthan, embedded in a larger study of state and municipal finances, so as to enable funding of infrastructure needs of the state while at the same time preserving the fiscal correction path



projected in the Bill. The draft final report was presented to all departments of the Government of Rajasthan at a workshop in Jaipur during 15-16, September. The final report was subsequently published.

• **Capacity Building in Budgetary Analyses of the State Level** *Tapas K. Sen and Pinaki Chakraborty*

The objective of the programme is to improve the understanding of media persons in sub-national budgetary policies. The programme was done in phases, and initially covered southern and northern regions of the country. During 2005-06, the programme covered the western and eastern regions. One component of the programme was to commission papers on selected states by academics.

• **Policy Research Networking to Strengthen Policy Reform** (January 2006) *M. Govinda Rao and Pinaki Chakraborty*

The programme was sponsored by the Asian Development Bank and the component on “State Government Budget Constraints and Social Services” was coordinated by NIPFP jointly with the Administrative Staff College, Hyderabad. Under this, selective policy-oriented research under the overall theme of “State Government Budget Constraints and Social Services” was carried out by experts in their respective fields.

• **Resource Devolution from Center to States: Enhancing the Revenue Capacity of States for Implementation of Essential Health Interventions** *M. Govinda Rao, Mita Choudhury, and Mukesh Kr. Anand*

This study analyses the resource requirements for meeting certain targets of the health sector and analyses the gap between the required and the actual expenditure in 15 major states in India. It also highlights the extent of resources that can be mobilised at the state level to meet the resource gap and estimates the residual gap that has to be met by central transfers. Estimates indicate that additional expenditures required for meeting specific norms/targets in health and health related sectors are substantial. However, the capability of states to meet additional resource requirements is limited. Significant central transfers are needed at the state-level to meet the specific targets.

• **Carrying Capacity of Government of Karnataka for Pay Revision** *M. Govinda Rao and Pinaki Chakraborty*

At the instance of the Fifth Pay Commission of Karnataka, this study is undertaken. The objective of the study 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 increase within the MTFP framework of Karnataka Government and the question of fiscal sustainability thereon.

## STATE DEVELOPMENT REPORTS

- **State Development Report of Andaman and Nicobar Islands** (March 2006) *Rita Pandey and Mukesh Kr. Anand*

The study sponsored by the Planning Commission takes stock of the prevailing economic and social conditions in the Andaman and Nicobar islands, and assesses the critical bottlenecks in its development. Based on detailed analysis of various sectors of the union territory, the study recommends policy changes and institutional mechanisms for sustainable development of this ecologically sensitive region. The report makes a number of suggestions in respect of sustainable exploitation of marine products, and high value agricultural and horticulture products. There are also detailed recommendations relating to strengthening social infrastructure in keeping with the requirements of the thrust areas, developing physical infrastructure including connectivity between dispersed islands in the union territory, and with mainland India and neighbouring countries, fiscal consolidation and reform, and reducing risk factors by preventing/reducing the negative impact in the event of a natural disaster.

- **State Development Report of Sikkim** (March 2006) *N.J. Kurien, Mahendra Lama, Simanti Bandopadhyay, Saumen Chattopadhyay and Anuradha Bhasin*

The study sponsored by the Planning Commission assesses the developmental potential in different sectors of Sikkim and details a strategy for material progress and human development in the state. It attempts to bring out the opportunities and ways to avail them; identifies the constraints and ways to overcome them. Some constructive recommendations to overcome the difficulties faced by the state to achieve its desired developmental goals are suggested.

## ON-GOING STUDIES

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

This is a study sponsored by the Planning Commission. The study is almost complete and the report is being drafted. Analysis of the study shows that the state of Mizoram, defined by a predominant slash and burn-based agriculture, with the corresponding social structure, needs a gradual transformation towards market-based systems for sustainable development. Diversification in agriculture, taking into account the topological and locational characteristics of the state alongside diversification in services sector is proposed as a possible route for development of the



state. This would require not just investment in physical infrastructure, but also a gradual evolution of markets, especially the labour market, for the transition to be effective.

## LOCAL FISCAL ISSUES

### • **Rapid City Assessments in Support of the City Challenge Fund** (Ludhiana and Rajkot) (August 2005) *O. P. Mathur, Navroz K. Dubash and Kala S. Sridhar*

The rapid city assessments of Ludhiana and Rajkot addressed the need for urban reform, potential bottlenecks, triggers for reform, and the reform agenda. Several measures such as the growth of population and land area, service delivery, and current finances including debt, suggest a need for financial as well as institutional reform in Ludhiana. The major bottlenecks to reform in Ludhiana and Rajkot are seen to be institutional, and relate to water supply, sewerage disposal and land use. In Rajkot, the study finds that the statutory and institutional structures were created on the principle of separate, distinct functional and spatial jurisdictions, with little recognition that there are important interdependencies, both functional and spatial. Furthermore, there is a need to revisit the statutory provisions. The finances of Rajkot Municipal Corporation are in an unsatisfactory state, despite surplus on revenue account and its ability to finance a part of capital expenditure out of its own resources. The study suggests that significant changes in the legal and management systems would be necessary to meet the challenges of growing Indian cities.

### • **Alternatives to Octroi** *O.P. Mathur*

In the states which have allowed urban local bodies to levy octroi, this constitutes the most important source of revenue, accounting for about 50-70 percent of municipal revenues. Octroi has provided to municipalities a degree of financial security and liquidity that is substantially greater than the combined value of all other sources of revenue available to them. At the same time, octroi has been identified as vexation and distorting levy. Several tax experts have called it a 'bad tax' and argued that octroi should have no place in a modern fiscal system. Yet, the tax has continued in Punjab for want of an appropriate revenue substitute. The report makes a number of suggestions for meeting the revenue loss to municipalities when octroi is abolished. The measures include (i) reform of property taxes and user charges, particularly for urban water; (ii) an earmarked levy of petrol and diesel with revenues to be spent on maintaining the municipal roads, and advance action for the levy of a profession tax; and (iii) broadbased strategy focused on providing to municipalities access to a tax base which captures state level trade and business activities. Our specific suggestion here is to levy 1 percent tax on gross turnover of VAT dealers and 1/2 percent tax on gross turnover of tax (ToT), by local bodies.

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

- a. **Toolkit on the Formulation of a City Development Plan**

- b. **Toolkit for Setting a Timeline for Implementing the Urban Reform Agenda**

- a. This toolkit is designed to assist city governments and other participating organisations in the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) such as the state-level and city-level water supply and sewerage boards and development authorities in the formulation of City Development Plans (CDPs). The toolkit while outlining the scope of CDPs, provides an approach to identifying the key issues that need to be addressed and the options that are available with city governments to bridge the gap between where the city is at present, and where it plans to go.

- b. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) requires cities applying for assistance to lay down a time schedule for implementing the proposed reform agenda. The reform agenda consists of reforms that (i) are to be undertaken by urban local bodies (ULBs); and (ii) that are to be undertaken by the state governments.

This toolkit is designed to seek information from the applicant cities that will enable the Ministry of Urban Development to set (i) the benchmarks on each of the constituents of reform agenda; and (ii) a time-schedule for implementing the reform agenda.

The toolkits have been published by the Government of India (GoI) as GoI documents. These were released, along with toolkits prepared by the ILFS, by the Prime Minister on December 3, 2005. These toolkits are the working documents of the Government of India.

#### *ON-GOING STUDIES*

- **Cost of Urban Infrastructure: Evidence from Indian Cities** *O.P. Mathur, Kala S. Sridhar, Simanti Bandyopadhyay and A.K. Halen*

The study enumerates the provision of infrastructure in India's urban areas by examining the costs of providing these services, an issue ignored until now. Time-series data over 1991-92 upto 2003-04 and cross-sectional data on the actual capital and operating expenditures incurred by six of India's major cities are gathered on the basis of secondary data as well as discussions with relevant experts and officials. The marginal cost of providing water supply is estimated. When the low-spending cities are excluded, it is seen that the volume of water supplied is statistically significant in determining O&M expenditure. However, when these low-spending cities are excluded, it is found that the supply of every additional kilolitre of water imposes extra burden on



the cities ranging from \$0.05 to \$0.08, as marginal operating cost. Based on these short-run marginal cost estimates, some Indian cities such as Jaipur and Pune are found to be under-charging their water. As far as the other services are concerned, cities' per capita expenditures on basic services such as toilets, even on street lights, appear to be abysmally low and hardly meet the demands of increasing population. Further, spending alone is not sufficient, since O&M expenditures might simply mean salaries. Finally, weak municipal finances might be at the core of the issue.

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

Thirteen years after the mandating of a third tier of government at local level by constitutional amendment in 1973, this study will examine how decentralised government is functioning in the rural areas of the country, and what it has done for delivery. By the terms of the funding mandate for this project, as agreed to between the UNDP and the Government of India, four states are pre-selected for study. In alphabetical order, they are Chhattisgarh, Madhya Pradesh, Orissa and Rajasthan. The findings of the project will be based on a field survey of 800 *gram panchayats*, 20 district *panchayats*, and 80 block *panchayats* in the four states.

• **Fiscal Expenditure Norms and Octroi for Andaman & Nicobar Islands** *O.P. Mathur, Kala S. Sridhar, and Astha Balwani*

This study, started in September, 2004, and sponsored by the Andaman and Nicobar (A&N) Administration, focuses on norms for civic services and octroi in the Andaman and Nicobar islands. The objectives are to develop norms regarding urban services such as water supply, sanitation, sewerage, roads, and street lighting. A related objective is to evaluate the financial implications of the suggested norms and make changes in any existing norms. A third objective of the study is to examine the existing octroi system in the A&N islands and make recommendations for converting the volume and weight-based octroi structures into an invoice-based one, and explore the possibility of privatising octroi collection, if that would increase revenues.

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

Entrusted by the Ministry of Urban Development, this report is meant to provide a comprehensive assessment of the urban situation in India covering the demographic, economic, social, and environmental aspects. The project is likely to be over by December, 2006.

## ENVIRONMENT, ENERGY, GENDER, AND HUMAN DEVELOPMENT

### ON-GOING STUDIES

- **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 and the results are being disseminated to international agencies, governments, regulators, and civil society. Elements of the indicators will also be used in a training programme for Indian electricity regulators. The project is in collaboration with the World Resources Institute (USA) and *Prayas*-Pune.

- **Modeling Economic Impact of Oil Price Changes on Indian Economy – Methods and Applications** *Subrata Mandal*

The study sponsored by the Ministry of Petroleum examines the following issues :

- Estimation of demand of petroleum products for the period up to 2025. The demand estimates would take into consideration the substitution of liquid petroleum products by natural gas, CNG, etc.
- The economic size of setting up new refineries and feasibility of setting up export-oriented refineries.
- Economic rationale for providing subsidy on domestic LPG and PDS kerosene and whether it needs to be restricted to certain categories of consumers.
- Economics of using (a) piped CNG or LPG (b) SKO *viz.* LPG
- The basis of pricing of petroleum products *viz.* Import parity pricing, trade parity, cost plus or any other basis.
- The optimum level of taxation of petroleum products *viz* customs duty, excise duty, VAT, etc.
- **Local Level Gender Responsive Budgeting** *M. Govinda Rao, Amaresh Bagchi, Lekha S. Chakraborty, Samik Chowdhury, and Darshy Sinha*

This project initiated in August, 2004, was sponsored by UNIFEM New York, within the broad framework of Local Level Gender Responsive Budgeting project of the European Commission. The two components of the project are (i) developing a concept paper on Fiscal Decentralisation and Gender Responsive Budgeting and convening of an international expert group meeting that

brings together experts from developed and developing countries in Africa, Latin America, Asia, and Arab regions including certain OECD countries to exchange various tools and approaches of local level gender responsive budgets; and (ii) using analytical methods and field visits to assess critically the local-level gender responsive budgets in five countries namely, Philippines, Morocco, South Africa, India, and Mexico.

The first component of the project was completed on November, 2004, by organising an international expert group meeting in New Delhi in association with European Commission; UNIFEM, New York, and IRDC drawing participants from thirteen countries. The second component of the project was completed and draft report on Fiscal Decentralisation and Gender Budgeting in selected countries was submitted in February, 2006.

• **Gender Microfinance in India:** *NIPFP-NIBM Lekha S. Chakraborty and Darshy Sinha*

The specific objectives of the project are to (i) identify the access and utilisation patterns of microfinance programme across gender; (ii) 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) analyse whether 'peer monitoring' instead of tangible asset-based collateral ensure better welfare of women borrowers; (iv) analyse the determinants of the self help group formation process and their participatory management in microfinance programme in reducing the transaction costs of both banks and borrower; and analyse the feedback mechanism of microfinance and economic activity; (v) analyse whether access to microfinance leads to economic empowerment of women through improving the bargaining power of poor women in intra-household and societal decision making process; and (vi) analyse the financial implications of microfinance on bank branch business as attaining financial viability and sustainability.

• **Financing Human Development in India** *Tapas K. Sen, H.K. Amarnath, Mita Choudhury, Anit Mukherjee, Sandeep Biswal, and Narendra Jena*

The main objective of this research study sponsored by UNDP 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 resources gap including ways of devising fruitful partnerships between the government and the private sector. Apart from a national overview, the study is expected to cover eight selected states in greater detail. The broad framework for the study was presented before and was approved by the Advisory Committee formed for this study. Work on two of the selected states – Tamil Nadu and Madhya Pradesh – has been initiated and is expected to be completed shortly. The first annual conference on Financing Human Development, organised as a part of the project, was held at NIPFP during March 9-10, where



nine papers (including two prepared in-house by researchers from different parts of the country) were presented. On this occasion, a special guest lecture was delivered by Dr. Devi Prasad Shetty, renowned cardiac surgeon and Chairman of *Narayana Hrudayalaya*, Bangalore.

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

This project will critically examine the practice of independent electricity regulation in India, which is an important, and a 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. This project is in collaboration with IIM-Bangalore. The funding agency is U.K. Foreign and Commonwealth Office.

## DATA BANK

### ON-GOING STUDIES

• **Database on State Finances** *Tapas K. Sen, Diwan Chand, Gita Bhatnagar, Tanya Sinha, and Sushmita Mitra*

This work, sponsored by the Planning Commission, involves building up a database on state finances in conformity with the specific requirements of the Planning Commission, covering the period 1988-89 to date. The primary data sources are the Finance Accounts of individual states, supplemented by some details from the budget and related documents.

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

This databank on state government finances has been an ongoing activity at the Institute, expanded last year to include a larger set of variables from different sources, while limiting some of the data series to a shorter period than before. This is primarily meant for in-house use, but has been found useful by other researchers as well. Efforts are made to update the budgetary database on a continuous basis, as and when latest documents from states become available.

### 3 WORKSHOPS, SEMINARS, & CONFERENCES

- A half day workshop on ***Globalisation and Federalism*** was held under the joint auspices of NIPFP and Forum of Federations, Canada, on March 27, 2006. The discussions emphasised that fiscal federalism must enable national and sub-national governments to operate in a way that it leads to efficiency in the use of resources.

- National Level Stakeholders' Consultations on ***Gender Budgeting in India***, was a collaborative effort of NIPFP and International Foundation for Election System (IFES), sponsored by USAID, held in New Delhi on February 2, 2006. The objective of the consultation was to calibrate the effectiveness of the instruments of budgetary policy in empowering women. Research inputs were given by experts in the governments, NGOs, UN representatives, local level elected representatives, and academics.

- A one-day workshop on ***Geography and Growth of Poverty in India: Implications for the Eleventh Plan*** was jointly organised by the NIPFP and DFID on January 20, 2006. The workshop provided a forum for stimulated discussions on recent analytical advances and empirical findings on various economic and social dimensions of lagging regions and strategies to accelerate development of these regions. Participants comprised members and senior officials of the Planning Commission and Government of India, Anthony Venebles, the Chief Economist of DFID and other officials of DFID and the World Bank, economists from other institutions, besides the faculty of NIPFP.

- During January 4-6, 2006, the NIPFP organised a workshop on ***Fiscal Management in Disadvantaged States***. Sponsored by the World Bank, the workshop focused on fiscal management issues and challenges faced by selected states lagging in development. Thematic and sectoral issues were highlighted to draw lessons from specific state experiences. The participants in the workshop included World Bank experts, officials of selected state governments, and practitioners with acclaimed expertise in policy formulation and implementation.

- **Strengthening Financial Management for National Rural Employment Guarantee Scheme**

The purpose of this workshop held on December 19-20, 2005 was to identify and arrive at policy recommendations for effective implementation of the recently enacted National Rural Employment Guarantee Act. Participants included academics, administrators, and practitioners in the field, besides ground level activists.

- A regional workshop on ***Financing Local Service Delivery for the MDGs: Challenges and Opportunities***, was held during December 7-9, 2005, at New Delhi. It was jointly organised by the UNDP Regional Centre in Bangkok, United Nations Capital Development Fund in partnership with NIPFP.

The workshop was aimed at promoting greater regional exchange to highlight the importance of the role of local governments in promoting local service delivery for the millennium development goals (MDGs) and specifically the financing challenges and opportunities surrounding this, especially in poorer rural areas.

65 international participants representing governments in the region, research institutions, the World Bank, UNDP, UNCDF and some other UN agencies attended the workshop.

- Workshop on ***State Government Budget Constraints and Delivery of Social Services*** under the ADB sponsored program, ***Policy Research Networking to Strengthen Policy Reform*** was organised during 21-22 November, 2005 at Bhubaneswar. The workshop was conducted in collaboration with the Administrative Staff College, Hyderabad. In the workshop, nine completed research papers under the thematic cluster were discussed.

- Second meeting of the Advisory Board of UN-HABITAT, (Nairobi) was organised at New Delhi during September 7-9, 2005 by a senior faculty of NIPFP who is a member of the Advisory Board. The meeting had representatives from 19 developed and developing countries.

- Workshop for ***Capacity Building for Budgetary Analyses at the State Level: Western Region Media***.

The fifth NIPFP-World Bank workshop was held at Pune, Maharashtra, during May 25-27, 2005. The objective was to initiate informed debate on the process of sub-national budgetary policies in various states in India. Local professionals viz. academic community in economics and journalists dealing with budgeting policy issues at state level were involved in the activity. The NIPFP provided a comprehensive course on the subject.

- A seminar to discuss the ***Draft Final version of Andaman and Nicobar Islands State Development Report*** was organised in New Delhi between August 30 and September 1, 2005. This study, commissioned by the Planning Commission, was coordinated by the NIPFP. Participants at the seminar were drawn from the Planning Commission, officials of various ministries and departments, academics, officials from the ANI administration, NGOs working in the islands, and elected representatives of ANIs, besides members of the Tribal Council of the ANIs.

- First Annual Conference on ***Financing Human Development***, was part of the project with the



same title on March 9-10, 2006. The conference organised by NIPFP was marked by a public lecture by the renowned cardiac surgeon, Dr. Devi Prasad Shetty (Chairman, *Narayana Hrudayalaya*, Bangalore and Asia Heart Foundation, Kolkata) on “Reforming the Health Care Sector in India”.

In addition to the above, the Institute organised seven in-house seminars including ***India Country Roundtable on Fiscal Federalism*** in collaboration with the Forum of Federations, Canada. Notable speakers in these seminars (list at Annexure II) were Piere Henri Vandenberghe, Expert Adviser – Taxation to the ADETEF and Christian Boulais, Tax Director, Tax Expert to the ADETEF; Monica Das, University of California; Jessica Seddon Wallack, Assistant Professor IR/PS University of California, San Diego; Lant Pritchett, Lead Socio-Economist, Social Development Unit, South Asia Region, the World Bank; Arvind Panagariya, Professor of Economics, Columbia University, New York; and Abhijit Sen Gupta, Graduate student, University of California, Santa Cruz.

## 4 TRAINING PROGRAMMES

The Institute, as in the past, continued to organise training programmes in a variety of areas of public economics. Details of the training programmes conducted during the year 2005-06, are given below:

- ***Practical Issues in Tax Policy and Tax Administration*** (March 20-23, 2006). The first of the series for Sri Lankan Revenue Officers, under an ADB programme. The course had 30 participants.
- ***Public Finance*** (Jan. 30–17 Feb., 2006). A three-week training programme for 13 probationers of the Indian Audit and Accounts Service.
- ***Fiscal Policy in India*** (Nov. 28-2 Dec., 2005). A weeklong training programme was conducted for the probationers of Indian Economic Service at the behest of the Department of Economic Affairs, Ministry of Finance. The course had 7 participants.
- ***Issues in VAT Administration*** (November 14-18; and November 28-3, 2005). Two courses, sponsored by the British High Commission had 27 and 33 participants respectively.
- ***Practical Issues in Fiscal Policy*** (August 8-12; and January 9-13, 2006). Two one-week

programmes for middle level officials of the Government of Assam. The programmes were part of the Assam Government and Public Resource Management Project, sponsored by the ADB. The courses had 25 and 21 participants respectively.

- ***Refresher Course in Public Economics for College and University Teachers*** (June 6- 5, July, 2005). A four-week programme for teachers from the various universities in the country. There were 35 participants.

- ***Advanced Training in VAT Administration*** ((May 11-13, 2005). A three-day programme focused on account-keeping and reading, audit and risk assessment, besides MIS and check-post management. 70 officials of the Government of Sikkim attended the course.

- ***Value Added Tax*** (May 5-6; and May 9-10, 2005). Two training programmes on VAT for senior officials from the office of the CAG. The objective was to provide an overview of VAT and its implementation in the states of India. There were 30 participants in each course.

- ***Introduction to VAT*** (April 26, 2005). One day programme in association with Standing Conference of Public Enterprises (SCOPE). 70 representatives of public enterprises participated.

## 5 NIPFP PUBLICATIONS

The Institute produced two study reports in mimeo form, **Rapid City Assessments in Support of the City Challenge Fund (Ludhiana and Rajkot)**, sponsored by WST and the World Bank; and **Study for Preparation of an FRBM Bill and Restructuring of State-Local Finances for Rajasthan** sponsored by the Government of Rajasthan.

Bi-annual issues of the NIPFP Newsletter reporting academic activities of the academic staff were published in July, 2005, and January, 2006. The Publications Unit brought out 10 working papers including two for the Tax Research Unit, a newly set up specialised cell. The papers were focused on 'Tax Policy and Reform' and 'Tax Breaks'.

The Annual Report 2004-05 comprising details of all activities of the Institute including the Annual Accounts was sent to the Ministry of Finance for being tabled in the Parliament during its winter session.

(A complete list of the Institute's priced publications is at Annexure IV)

## 6 LIBRARY SERVICES

### LIBRARY

The NIPFP library has made significant progress during 2005-06 in terms of modernisation, acquisition of books and journals, and provision of library service both to the faculty of the Institute and outside researchers. The NIPFP library is a unique research and reference centre in the country with specific focus on: public finance, macro and micro economics and industry studies, planning and development, economics theory and methodology; Indian economy; new institutional economics; environmental and natural resource economics; urban economics and finances; and health economics. The library operations have been automated. It has networking arrangements with over 150 institutions for sharing of resources with all major libraries in the country. The library server has been made compatible within the Linux operating system, facilitating accessibility significantly. It has also begun to procure electronic versions of statistical documents and journals to make them available to the faculty. The facility of obtaining journals through Free Online against Print Subscription (FOAP) was introduced during this year.

Easy accessibility to the large collection of books, journals, and databases offers a conducive environment to research scholars from India and abroad. More than **1324** external research scholars and government officials referred the NIPFP library during the year under review.

### COLLECTION DEVELOPMENT

The library collection development policy is guided by the Institute's faculty requirements as well as a broader policy towards making it a prominent resource centre in the area of public finance and fiscal policy. The collection development policy is gradually being transformed into electronic form. During the year 2005-06, the library procured nearly 95 CD-ROMs containing Census of India-2001 dataset, besides another set of 32 CD-ROMs containing Indian and international statistical databases.

From CMIE, the library has started subscribing to Capex Firm level database for investment projects, Regional Monitoring Services (RMS) for 11 states and PROWESS (Corporate database). All these databases are incorporated in the Linux server and are being updated on a monthly basis through the internet. The collection of international taxation documents through International Bureau of Fiscal Documentation (IBFD) and Institute for Fiscal Studies (IFS) membership have been strengthened. The library is also under the Depository Scheme of the International Monetary Fund for receipt of their publications.



About 1418 new documents and 488 working papers (215 from other research institutes and 273 from IMF alone) were added to the library during the year 2005-06. Most of these working papers have been received on complimentary/exchange basis from the international and national research institutes. Important documents like State Budgets, Finance Accounts, and Appropriation Accounts, are regularly updated.

## **JOURNALS**

**Primary Periodicals:** The library holds around 400 journals, newsletters and newspapers. Among these the library subscribes to 170 journals (105 international Journals and 69 Indian), and 70 journals are received on *gratis* basis.

**Secondary Periodicals:** (Abstract and Indexing Services). The Institute subscribes Econlit for International Economic Literature. ISID Research Reference CD and *Artha Suchi* for Indian Economic Literature. The library also produces Article Alert Service through OPAC covering the journals which are not indexed in EconLit, besides newspaper articles.

## **LIBRARY SERVICES**

The library provides the following Current Awareness Services:

- Current Contents Service (Monthly)
- List of New Addition of Books/Reports and CD-ROMs
- List of New Working Papers
- List of IMF Working Papers
- Article Alert Service
- SDI Service

## **REFERENCE AND REFERRAL SERVICES**

The library staff provides services such as, conducting literature survey, compilation of bibliographies, and reading lists through various databases and internet.

## **RESOURCE SHARING AND INTER-LIBRARY LOAN**

The NIPFP library is a member of DELNET and has mutual co-operation with other major libraries like; IGIDR, IEG, NASSDOC, NCAER, ISI and other University libraries. During the year under review 103 documents from various libraries were borrowed for the use of faculty members and 87 documents lent out to various academic-cum-research libraries in Delhi. The library is also a member of the Central Secretariat Library, American Centre Library, and British Council Library.

## REPROGRAPHIC SERVICES

During the financial year 2005-06, approximately 63,180 photostat copies were produced in the library for use of NIPFP faculty members and visiting researchers.

## 7 COMPUTER UNIT

The Computer Unit provides vital support and service to researchers as well as other functionaries of the Institute, viz. accounts, administration, auditorium, library, and publications. During 2005-06, the computer centre has upgraded some of its old systems. In this connection three HP ML 150 servers, five HP compaq P4 desktops nx6120, three HP celeron d260, two network laserjet 2420DN printers, and two HP laserjet 1020 printers, were procured.

The computer system of the Institute now comprises 8 servers, 108 pentium – II/III/celeron/IV PCs, 12 laptops, 70 UPS and 57 printers including 7 heavy-duty HP laserJet 5Si and 2420dn LAN connected printers. The server network is being maintained by M/s *Paramarsh Systems* while the computer staff is engaged in the annual maintenance of computer hardware.

The Institute's internet facility (nipfp.org.in) as well as its website is supported by a leased line from MTNL. However the NIPFP website under the address of <http://www.nipfp.org.in> has been launched through its own server domain. Management of the website is being supervised by a committee headed by Kavita Rao, Senior Fellow and Siva Chidambaram, Librarian-cum-Information Officer, Rita Wadhwa, Editor, Naveen Bhalla, Senior Administrative Officer and Navin K. Singh, EDP Manager. The website highlights the main objectives and activities and forthcoming events of the Institute, indicates research interests of the NIPFP faculty along with their detailed CVs, and provides lists of publications, working papers, and major reports produced by the Institute.

Databank development is a continuous activity at the NIPFP computer centre. Specialised software are installed in the library and the accounts department. Technical support is given to LIBSYS, RMS and Econolit in the Institute's library, and for the EX Accounts and Payroll software in the Accounts department. (Technical support is given to Econolit in the Institute's library and for Payroll software in the Accounts department).

The Computer Unit is functioning under the overall policy guidance of the Computer Committee consisting of Navroz K. Dubash, (chairman), Rita Pandey, Siva Chidambaram and S. D. Mudliar as members, and Navin K. Singh as member-secretary.

## 8 HIGHLIGHTS OF FACULTY ACTIVITIES

The NIPFP faculty continued to be involved in a broad range of academic activities and in rendering policy advice to governments and professional bodies. The paragraphs below summarise notable activities of individual academic staff in addition to their participation in the Institute's sponsored research. Details of their publications are at Annexure V.

- **C. Rangarajan**, Chairman, NIPFP, is also Chairman of Madras School of Economics; C.R. Rao Advanced Institute of Mathematics, Statistics and Computer Science, Hyderabad; and the CUTS Institute for Regulation and Competition. During 2005-06, he was invited to deliver convocation lectures at various universities in the country. Notable among these were the Universities of Rohtak; Mangalore; Utkal; Dr. Ambedkar (Hyderabad); and IILM (New Delhi). He gave an inaugural address on "Indian Banking: Emerging Challenges" at the National Overseas Bank Officers Association Meet at Chennai, and on "Designing the Global Financial Strategy" at IIFT, New Delhi. On the occasion of 4th Ramanbhai Patel Lecture, Ahmedabad Management Association, Ahmedabad, he spoke on "Responding to Globalisation- India's Answer"; and at the Prakash Bhandari Memorial Lecture, Jaipur, on "Economic Growth and Social Development". He was invited to give a valedictory address on "Agricultural Credit-Reaching the Marginalised Farmers" at a Bankers' Conference in Kolkata. At NIPFP, he inaugurated the workshop on **Strengthening Financial Management for Rural Employment Guarantee Scheme**, besides the international conference on **Financing Local Service Delivery of the MDGs: Challenges and Opportunities**.

C. Rangarajan published papers (one co-authored) in two issues of *Economic and Political Weekly*, and an article in a financial newspaper.

- **M. Govinda Rao**, Director of NIPFP, besides undertaking administrative and academic responsibilities, carried out research and advocacy roles and represented the Institute in seminars and conferences in India and abroad. He presented the Mid-year Review of Indian Economy at the India International Centre.

His completed projects at the institute included, **Capacity Building for Fiscal Reforms in Sikkim** carried out in collaboration with eminent experts; and a co-authored study on **Strengthening of Financial Management for Rural Employment Guarantee Scheme** sponsored by the Administrative Reforms Commission; Projects which are nearing completion are **Finances of Karnataka: Carrying Capacity of Government of Karnataka for Pay Revision**; and the UNIFEM, New York sponsored, **Fiscal Decentralisation and Local Level Gender Responsive Budgeting**. Govinda Rao was appointed member of several expert committees: Expert Group to Study the Planning at the Grassroots



Level; Expert Group to Develop concrete Proposals for Restructuring the Centrally Sponsored Schemes, both by the Planning Commission; Consultative Group. Inter-State Council, Ministry of Home Affairs; Reconstituted Planning Board of the Government of NCT of Delhi, Government of Delhi, Committee of Experts for Analysing Acceptance of Loans from the World Bank and the Conditionalities attached to it for the Power Grid Corporation; and Working Group on Democratic Decentralisation and *Panchayati Raj Institutions* for the Formation of the Eleventh Five Year Plan, Ministry of *Panchayati Raj*, Government of India. In addition to these, he was member of the Centre for International Trade and Development, School of International Studies, JNU. The UNDP Advisory Panel on Democratic Governance, UNDP Regional Centre, Bangkok and USA, also appointed him as a Member.

Govinda Rao was a participant in the meetings of the Asia Tax Forum established jointly by the International Tax and Investment Centre and Public Finance Institute of Philippines. He was invited to give special or keynote addresses, to chair sessions or act panelist/Guest of Honour, present papers, or give seminars in a wide range of forums at diverse venues: BITS, Pilani; Goa Chamber of Commerce and Industry, Goa; Lal Bahadur Shastri National Academy of Administration, Mussoorie; Administrative Staff College of India, Hyderabad; Women's College, Tamil Nadu; Manipal Institute of Management, Manipal, Karnataka; Justice K.S. Hegde Institute of Management, Nitte, Karnataka; India International Centre, New Delhi; Centre for Economic and Social Studies, Hyderabad; Salvador, Bahia, Brazil; Indian Institute of Science, Bangalore; Aligarh Muslim University; and Central University, Hyderabad. Furthermore, he inaugurated and delivered the keynote address at a VAT workshop for members of SCOPE; delivered a special address at the National Service Tax Conference at Le Meridien hotel; presented a paper on "Tax System Reform in India: Achievements and Challenges Ahead" in the session on India at Tokyo International Forum, Tokyo. He made a presentation on "Critical Issues in State Finances in India" which came up for presentation at the Seventh Annual NBER-NCAER conference at New Delhi. In the NIPFP organised training programmes, he delivered as many as six lectures to the university and college teachers; four lectures in two different programmes for the middle level officials of the Government of Assam; four lectures to probationers of Indian Economic Services and IA&AS in two different programmes at NIPFP; delivered welcome remarks, chaired a session, and lectured on "Financing Local Service Delivery: The Board Policy Context" in a joint workshop by UNDP Regional Centre in Bangkok, United Nations Capital Development Fund, and NIPFP; gave welcome address and chaired the concluding session at the World Bank–NIPFP workshop, besides two lectures to the participants in a training programme for officials of the Revenue Department, Government of Sri Lanka. He chaired two sessions at NIPFP-World Bank workshop on ***Capacity Building for Budgetary Analyses at the State Level*** (Western region workshop at Pune for media persons) and delivered two lectures there. In addition to the above, M. G. Rao

chaired a session on “Greater Transparency in Government Accounting” at an international workshop organised by the Office of the Controller General of Accounts, Ministry of Finance in association with the World Bank.

His presentations in seminars and conferences included: “Direction of Central Government Finances” at the ***Quarterly Review of the State of the Economy*** seminar by NCAER; “Trends and Issues in Tax Policy and Reform in India” (co-authored) at ***India Policy Forum 2005*** co-organised by NCAER and Brookings Institution; “Fiscal Federalism in India: Emerging Challenges” at India Country roundtable on ***Fiscal Federalism : Global Dialogue on Federalism*** on behalf of Forum of Federations, Canada, and “Economic Liberalization and Challenges of Indian Federalism” at the international roundtable at Salvador, Brazil; prepared “State Level Adjustment Lending and Fiscal Consolidation: A Study of sub-National Governments” (co-authored) for ADB; made presentation on “Fiscal Information System for *Panchayats*” for the Expert Group to study the Grassroot Planning, Planning Commission; Engendering Fiscal Policy: Issues and Options” at the Fifth South Asia Regional Workshop on ***Gender Responsive Budgeting*** at TERI, Bangalore; “Challenges Facing Fiscally Disadvantaged States: An Overview” at a World Bank-NIPFP workshop at New Delhi; “Identifying Issues for Gender Budgeting” at the Gender Budgeting in India : Stakeholders’ Consultation at NIPFP; “VAT and Service Tax” from the macro policy perspective at CII; and “Adjustment Lending to States: Hastening Fiscal Correction or Softening the Budget Constraint” at JNU, New Delhi.

Under the auspices of the UNDP project on ***Financing Human Development***, Govinda Rao organised a public lecture, “Reform of the Health Care Sector in India” by Dr. Devi Prasad Shetty, an internationally renowned cardiac surgeon and founder Director of *Narayana Hrudayalaya*, Bangalore, at New Delhi.

Published output of M. Govinda Rao included two published books (one co-authored); three articles in edited volumes; two articles in *EPW* and *Journal of Asian Economics*; a working paper at NIPFP; and a co-authored paper in Background Papers, National Commission on Macroeconomics of Health, Ministry of Health and Family Welfare. Two of his articles have been accepted for publication in forthcoming edited volumes. Govinda Rao wrote thirteen articles in leading newspapers of India.

He appeared in a panel discussion on the Union Budget 2006-07 relayed by *Delhi Doordarshan*, New Delhi.

• **Raja J. Chelliah**, Professor of Eminence at NIPFP, and Chairman Emeritus, Madras School of Economics, was a member in the Steering Committee for the Centre of Excellence in Environmental Economics at MSE. He continued to be a member on the Board of Trustees,

Ranganathan Centre for Information Studies; and IFA International Tax Academy.

He gave a chief guest address on the occasion of launching of value added system in Karnataka. He published a paper titled, “The Malady of Continuing Fiscal Imbalance” in the *Economic and Political Weekly*, July-August, 2005.

- **Amaresh Bagchi**, Emeritus Professor, has been a member on the Board of Management, IGIDR; and the Academic Council of JNU. He was invited by the National Institute of Financial Management, Faridabad, to deliver a lecture on “State Finances and Recommendations of the Twelfth Finance Commission”; and to give a valedictory address at a seminar on Twelfth Finance Commission (TFC) at the Giri Institute of Development Studies, Lucknow. He was requested by the *EPW* to help bring out their special issue carrying the symposium on the TFC. Amaresh Bagchi wrote the ‘Introduction’ and ‘Overview’ for this symposium. His lectures included one on **VAT** at the Construction Industry Development Council; and a number at NIPFP organised training programmes. He was a participant in a World Bank seminar on **Fiscal Discipline among States** and chaired a session at ASCI, Hyderabad, held in June 2005; presented a paper at NIEPA to discuss the Report of the Committee on NCMP commitment of six percent of GDP to ‘Education’; wrote a chapter on financial administration for a volume on *Constitutional History of India* being edited by Subhash Kashyap, jointly with another. He led the NIPFP team in the Tax Research Unit for the preparation of a working paper on “Tax Breaks”. Amaresh Bagchi made a study visit to South Africa as part of G6 Study on Gender Budgeting undertaken by the Institute at the instance of UNIFEM.

- **D.K. Srivastava**, Senior Fellow, left the Institute in July, 2005 to join Madras School of Economics as Director. During this quarter, he completed and submitted his studies on **Uttar Pradesh: Reforming the Budgeting System** and **Uttar Pradesh: Medium Term Expenditure Policy**, commissioned to NIPFP by Resource and Expenditure Commission of U.P. His co-authored paper, “Fiscal Deficits and Government Debt in India Implications for Growth and Stabilisation” was brought out as a working paper of NIPFP. This paper was subsequently published by the *Economic and Political Weekly*. He edited and published a volume entitled, *State level Fiscal Reforms in Indian Economy*.

- **Indira Rajaraman**, Senior Fellow and RBI Professor, was team head of the completed **Study for Preparation of an FRBM Bill and Restructuring of State-Local Finances for Rajasthan**. This was subsequently published as a study report of NIPFP. Currently, she is working on a UNDP sponsored project titled, **Rural Decentralization and Participatory Planning for Poverty Reduction** with assistance from four associates. The study is likely to be completed by June, 2007.

During the year under review, Indira Rajaraman chaired the Public Expenditure Review Committee

of Kerala, which issued its first report in May 2006. She was a member of the Economic Policy and Reform Council of Rajasthan as also of the State's Public Expenditure Review Committee. Her participation in varied roles in seminars and conferences included: invited paper at a technical session on **Intergovernmental Finances and Policy Coordination: Implications of the Report of the Twelfth Finance Commission** at ASCI-World Bank Conference at Hyderabad; as discussant at Brookings-NCAER *India Policy Forum 2005* on a paper by William Buiter and Urjit R. Patel; Programme in-charge, Brainstorming session for UNDP project, Fiscal Impact of Trade Liberalisation at NIPFP; chairperson in a session on Risk Management, at a National Banking Symposium at IIFT; invited participant, **European Economic and Social Committee Seminar** on the **Contribution of Civil Society Organisation to the Work of the WTO: In Search of Better Governance, at Brussels**; chairperson, in the session on "Sector Challenges in Decentralising Service Delivery" at a workshop at NIPFP; speaker, "Panchayati Raj and Poverty Alleviation" at NCAER-Government of India conference at New Delhi; spoke on "Is the Indian Fiscal Federation Under Threat" at a World Bank South Asia Decentralisation Seminar Series at Washington DC; and "Implication of NREGA: Findings from the NSS Employment Survey" at a workshop on **Rural Employment Guarantee Scheme** at NIPFP; and discussant for a paper on "Globalisation" at a seminar by Book Review Literary Trust, at New Delhi.

She was consulted by the IMF Article IV Mission; was member of the India-EU Roundtable; Advisory Group on Short-Term Liquidity Forecasting to assess the Report of Internal Working Group on the Forecasting, Model RBI, Mumbai; Board of Economists, *India Today*; Consultative Group of the Inter-State Council Secretariat on Inter-Governmental Relations and Dispute Resolution Mechanisms in Federal Democratic Country; Steering Committee, Centre for Energy Security Research, TERI; and President's nominee on the Academic Council of TERI School of Advanced Studies. She testified before the Parliamentary Standing Committee on Finance on Provisions of the Banking Companies and Financial Institution Laws Bill, 2005.

Indira Rajaraman delivered two research-based lectures on "Public Debt Sustainability" to the probationers of Indian Economic Service at the Institute of Economic Growth; another at JNU Staff College apart from twelve in the NIPFP organised training programmes for: College and University Teachers; probationers of Indian Economic Service; Indian Audit and Accounts Service; and Assam State Government officials. She was invited by Miranda House, University of Delhi to give the *Twentieth Veda Thakurdas Memorial Lecture* at the college. She also spoke on "The Indian Economy" for senior officials of *Electricite de France*, at New Delhi. She was a member of M.Phil Dissertation Committees of the Delhi School of Economics and JNU; and external examiner for a Ph.D thesis at the Faculty of Management Studies, Delhi University.

Two of her research articles were published in edited volumes by *OUP*; and *Marg* in 2006. Her co-



authored report, **A Study of Debt Sustainability at State Level in India** was brought out by RBI, Mumbai. Three of her papers were published in journals of repute, namely, *Applied Econometric and International Development*; *EPW*; *Water Policy*; while another two (one co-authored) appeared as mimeographed articles. The University of Michigan School of Public Policy issued her paper with Alan Deardorff “Can Export Taxation Counter Monopsony Power?” as a Discussion Paper. She wrote two reviews, and articles from time to time in financial dailies.

- **Tapas Sen**, Senior Fellow, co-authored one research report and led two research projects, and organised a conference during the year. The completed research project was on **Expert Fiscal Policy Advice to Government of Chhattisgarh**, sponsored by the Government of Chhattisgarh, co-authored with Subhash C. Garg. While the first part of this report (authored by Subhash Garg) has been finalised and submitted, the final draft of the second part (authored by Tapas Sen) has been submitted to the sponsors. Among the ongoing projects is the study entitled, **Financing Human Development in India**, sponsored by the UNDP, India. This study, apart from over-viewing the financing of human development in 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 suggests ways to overcome these constraints. Under this project, the first annual conference on **Financing Human Development** was held on March 9-10, 2006 at New Delhi. Tapas Sen presented a paper on “Performance Measurement in Social Sectors” at this conference.

The other ongoing project is on **Building a Database on State Finances** as per the requirements of the Planning Commission. A paper on “Reforming State Finances: An Agenda”, written during the previous year under the ADB initiated programme of **Policy Research Networking to Strengthen Policy Reform** was presented in a dissemination workshop at Bhubaneswar (November 2005).

Some work of the umbrella programme of **Capacity Building for Budgetary Analyses at the State Level**, funded by the World Bank spilled over to the year under report, consisting mainly editing of three commissioned papers on finances of individual states.\*

He acted as resource person and delivered lectures to varying audiences including a group of UNDP officials from different countries, participants of training programmes, and a refresher course for college and university teachers held at NIPFP, and elsewhere (including National Institute of Educational Planning and Administration, Institute of Economic Growth and Academic Staff College, Jawaharlal Nehru University).

He continued to oversee the data bank on state government finances in India named as the **Public**

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\* Rath, S.S. (2005), Fiscal Development in Orissa: Problems and Prospects, Working Paper No. 32, NIPFP, New Delhi.

Rao, R. Sudarsana (2005), Fiscal Reform and Finances of Government of Andhra Pradesh, Working Paper No. 33, NIPFP, New Delhi.

Bishnoi, N.K. (2005), Fiscal Management in Haryana: A Review, Working Paper No. 34, NIPFP, New Delhi.

**Finance Information System (PFIS)** and as an expert member of the Third Punjab State Finance Commission. He also acted as external examiner for two M.Phil dissertations 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. He continued as Chairman of the Library Committee of NIPFP.

• **Navroz K. Dubash**, Senior Fellow, and IDFC Chair Professor has almost completed his study entitled, **Electricity Sector Governance** under the aegis of World Resource Institute and *Prayas*-Pune. The project has developed indicators of good governance for the electricity sector spanning legislative, executive, and regulatory process. The findings of the Electricity Governance Initiatives were presented in a co-organised conference at Bangkok. His work on the subject led him to participate in a **Electricity Governance Launch Workshop** at Quezon City, Philippines and in a review meeting focused on Electricity Governance Initiative India, at New Delhi. He is now engaged in the completion of another related project, **Independent Economic Regulations: an Assessment of Accountability and Good Governance in the Electricity Sector**. The year saw him presenting papers at various conferences and workshops in India and abroad: “Regulation as an Arena for Social Policy: Examples from Electricity in Asia” at Arusha, Tanzania; “A Normative Space for Global Governance on Dams” at an international conference at JNU, New Delhi; and “Independent or Embedded? Emergent Regulatory Politics in India” in a workshop at University of Oxford, England; He participated in the World Bank **Energy Week, 2006** at Washington D.C. to make a presentation on “The Relevance of Governance to Electricity Reform”; gave a seminar on “Importing Institutions: The Mixed Blessing on Electricity Regulation in India” at Centre for Global Development, Washington D.C. He spoke on “A Governance Diagnosis of Power Sector Reforms” in a symposium at the National Judicial Academy, Bhopal in which 40 High court judges participated.

Navroz was an invited participant at a technical workshop on **Monitoring MDBs in South Asia: Issues, Challenges and Opportunities; Word Power: Reforms in Urban Governance; Electricity Distribution Reforms Challenges and Way Forward; Financing Irrigation Infrastructure**; and in a seminar to discuss issues of mutual interest under the framework of **Moving from Poverty to Prosperity: Harnessing Enterprises and Climate-Friendly Technology**. He delivered two lectures in NIPFP organised training programmes for Indian Economic Service probationers; and College and University teachers.

He made research contributions by way of book and journal articles in two issues of *Economic and Political Weekly* (one special); one in *The Hindu Survey of the Environment* and four in edited volumes.

He was a member of the Editorial Board of *Utility Policy*; of the Expert Group to Review the Issues of Groundwater Ownership in India, Planning Commission; and on the Selection Committee for contractual appointments at the Institute of Economic Growth, Delhi.

- **Rita Pandey**, Senior Fellow, as team leader, completed and submitted the **State Development Report of the Andaman and Nicobar Islands** to the Planning Commission. The report was presented in a seminar at the India Habitat Centre, New Delhi.

She accepted membership on the panel of experts in Economics at the North-Eastern Hill University of Shillong. In a training programme on **Sustainable Development** at the World Wildlife Fund, New Delhi, she delivered two lectures.

Rita Pandey attended and presented papers at: **Green Cities Conference** at New Delhi; and **Eighth Sustainable Development Conference** at Islamabad, Pakistan. She was an invited resource person in an international workshop at Bangkok on **Capacity Development for the CDM**, as also in a workshop, on **Strategies for Sustainable Development in BRICS+G Countries**, at New Delhi.

She was requested by known journals and publishing houses, such as *Environment and Development Economics*; South Asia Network for Development and Environmental Economics; Oxford University Press; and *Journal of Environmental Management* to review some of their works.

She published one article in *Down to Earth*, another in an edited volume, while a third one is expected in a forthcoming issue of *Environmental Economics and Policy Studies*.

- **R. Kavita Rao**, Senior Fellow, has nearly finalised the draft **State Development Report: Mizoram**. She is a member in the newly constituted Tax Research Unit at NIPFP which produced two working papers during the year “Trends and Issues in Tax Policy and Reforms in India”; and “Raising Tax-Ratio by Reining in the “Tax-Breaks”. Both were co-authored. The former will be published in the **India Policy Forum, 2005**. She presented a paper on “Corporate Tax and Foreign Direct Investment in India” in an international symposium at Hitotsubashi University, Tokyo. Her interest and expertise in the area of VAT led her to organise six training programmes on **Issues in VAT Administration**, of which two were for officers of the Commercial Tax Department; two for officers of Controller and Auditor General; one for officials of the Government of Sikkim; and the last for members of SCOPE.

Kavita Rao was invited to lecture on “Value Added Tax” at the 33rd Refresher Course in Economics organised by the UGC Academic Staff College, JNU; and to deliver a talk on “VAT–Its Impact on Economy, Trade, Industry and Common Man” at the All India Conference on VAT organised by Sales Tax Bar Association, at New Delhi. She also organised a training programme on **Practical**

**Issues of Tax Policy and Tax Administration** for officials of the Revenue Department of Government of Sri Lanka.

In addition, her other activities comprised three lectures on taxation issues at IIFT, three in a training programme for probationers of IA&AS at NIPFP; two lectures on “State Tax Systems” and “Reform of State Taxes” at the Institute’s training course for middle level officials of Assam; one on “Tax Policy and Reform in India” for IES probationers; and three on tax policy and reform of tax systems in India in the NIPFP-World Bank Refresher Course for College and University Teachers at NIPFP.

- **Om Prakash Mathur**, Senior Consultant in Urban Economics and Finance undertook various research and advisory activities, delivered lectures, and participated in seminars and conferences in India and abroad. He completed and submitted his study report, **Alternatives to Octroi**, to the Government of Punjab in October, 2005. Under the National Urban Renewal Mission of the Ministry of Urban Development, Om Prakash Mathur devised a **Toolkit on the Formulation of a City Development Plan** and a **Toolkit for Setting a Timeline for Implementing the Urban Reform Agenda**. These toolkits have since been published by the Government of India as GoI documents.

Om Prakash Mathur’s co-authored study of 2004-05, **Toward Urban Restructuring: An Assessment of Reform Potential in two Mid-level Indian Cities (Ludhiana and Rajkot)** sponsored by the World Bank, Water and Sanitation Programme, was brought out as a mimeographed study report of NIPFP. His co-managed projects, **Expenditure Norms for Services**; and **Costs of Urban Infrastructure: Evidence from Indian Cities** are nearing completion. At present, he is involved in the Preparation of a National Report on State of India’s Urbanisation.

As in the past, he was an invited participant in urban development and finance related activities in India and abroad; attended a Un-ESCAP Expert Group meeting on Improving Service Delivery; and on Decentralisation and its Impact on Poverty Reduction; both at Bangkok; organised the second meeting of the Advisory Board of UN-HABITAT (Nairobi) for Research in Human Settlements at NIPFP; presented a paper on “India’s Urban Sector” at ADB organised Expert Group Meeting on Urban Sector Review, at Manila.

At the national level, he attended a workshop on **India Infrastructure Report**, serving as member of a panel at the time of its formal release; and participated in the 47th Research Council Meeting of the Research Council of National Environment Engineering Research Institute as a member. The year saw him being nominated as member of the National Review Committee on Jawaharlal Nehru National Urban Renewal Mission (JNNURM), a committee headed by the Prime Minister of India. Furthermore, the Ministry of Urban Development nominated him a member of its **Technical Advisory Group** on JNNURM; and of the Enhancement of Knowledge Base on Urban Transport in



India, Technical Advisory Group. In the former capacity, he explained JNNURM to state and city governments at meetings held in Guwahati and Mumbai.

He continued to be on the Governing Council of the National Institute of Urban Affairs.

• **Subhash Chandra Garg**, from the Indian Administrative Service was Principal Consultant with NIPFP during July 1, 2005 to March 31, 2006. During this period he completed, A **Study of State Finances** for the Planning Commission; and six policy advisory papers for the Government of Chattisgarh as part of a policy advisory study. He was consulted by multilateral agencies such as the ADB, DFID and USAID. Advisory work of S. C. Garg resulted in the following papers/studies: “Assessing Data Availability for Pension Assessment and Preparedness for Transition to New Pension Scheme” (with reference to six states of India—Assam, Bihar, Jharkhand, MP, Chattisgarh, and Kerala)’ “Independent Evaluation of Public Enterprises Reforms Programme of Andhra Pradesh”; “Assessment of Implementation of the FACILITY Project on States’ Fiscal Reforms” and “Documenting and Assessing Implications of Centrally Sponsored Schemes by-passing State Budgets”.

He was invited to deliver lectures on Fiscal Decentralisation, Debt Management, Federal Finance, Infrastructure Finance, Externally Aided Projects, State Level Public Expenditure Reforms, Implications of the Twelfth Finance Commission to government officials at various levels including those in the Indian Administrative Service and the Indian Economic Service by organisations such as, National Institute of Financial Management; Indian Institute of Public Administration; Institute of Financial Management and Research, Chennai; College of Agriculture Banking, Pune and in the NIPFP training programmes, and in-house seminar sessions at NIPFP.

He contributed five articles in newspapers of repute.

• **Bulbul Sen**, of the Indian Revenue Service is Principal Consultant at NIPFP, and member of the Tax Research Unit formed in association with the Department of Revenue, Ministry of Finance. She is a co-author in two studies, ***Raising the Tax Ratio Reining in the Tax Breaks: An Agenda for Action***; and ***Tax Breaks for Small Scale Sector***. The first study was brought out as a working paper of the Tax Research Unit. Her study, **Better Targeting of the Tax Exemptions for the Charitable Sector** is nearing completion. Bulbul Sen is currently, working as co-author on a study, on **Tax Exemption for Special Economic Zones: Its Implications**.

Along with two other colleagues from NIPFP, she made a presentation before Secretary Revenue, Advisor to FM, and officials of CBDT and CBEC on “Reining the Tax Breaks”. She also made a presentation for the Government on the role of the Settlement Commission in India.

She also made a presentation on “Advance Pricing Mechanisms in Transfer Pricing: World Experience and Lessons for India” in a collaborative seminar of ASSOCHAM and Price Waterhouse

Coopers. She was invited as an expert on taxation at a panel discussion on the **Union Budget, 2006**, at the PHD Chamber of Commerce; participant in a discussion hosted by the Ministry of Finance on an IMF presentation, “Assessing India’s Tax Base”. Subsequent upon that, she met the visiting IMF team for finalisation of the India Country Report for 2006, and discussed current issues in international taxation in India at a joint seminar of India and US Branches of International Fiscal Association.

She delivered three lectures at the NIPFP organised training programmes on “Phasing out Tax Breaks” for probationers of Indian Economic Service; “Phasing out Tax Breaks” and on “New Taxes Introduced through Budget 2005-06: Fringe Benefits Tax and Cash Banking Transaction Tax” for the probationers of IA&AS; and on “Recent Trends and Experience with Operating Tax Incentives Regimes with special reference to Regional Tax Competition through Tax Incentives for FDI” for Sri Lankan Revenue Officers.

During 2005-06, Bulbul Sen published two articles in Economic Times.

- **A.L. Nagar**, Senior Consultant has completed two study reports: **Estimation of Corporate Tax for the largest 10 percent of the Companies in Various Sectors of the Economy; and Size-Wise classification on Companies in the Indian Corporate Sector and Their Gross Value Added and Corporate Tax Paid; and Projection of Quarterly CT and IT Receipts for the FYs 2005-06; and Updated Projections of Quarterly CT and IT receipts for the FY 2005-06**, The studies are co-authored.

A.L. Nagar presented a paper (co-authored) “Quality of Life Index for India and China” at a **Link Meeting** in Geneva, where he also participated in the launch of **Trade and Development Index**, UNCTAD. He delivered a lecture on “Index Numbers – A Latent Variable Approach” in a refresher course for officers of the Indian Statistical Services.

- **Somik Lall**, Project Manager at the World Bank, Washington D.C., was Visiting Fellow at the Institute for six months. During his stay here, he worked on **Fiscal and Distributional Implications for Property: Tax Reforms in Indian Cities** which was reproduced as a working paper of NIPFP. His paper on “Regional Subsidies and Industrial Prospects of Lagging Regions” appeared in the World Bank Policy Research Working Paper Series.

Somik Lall co-ordinated a high profile one-day workshop, **Geography and Growth of Poverty in India: Implications for the Eleventh Plan** at NIPFP. The workshop was a collaborative effort of DFID, the Planning Commission of India, and the NIPFP. The objective of the workshop was to bring together analysis of the Indian situation with international experience to take a new look at packages of interventions to strengthen urban policy, and stimulate development in the lagging regions of India.

• **Kala S. Sridhar**, Fellow, finalised her co-authored study, ***Rapid City Assessments of Ludhiana and Rajkot in Support of the City Challenge Fund***, sponsored by the Water and Sanitation Program, the World Bank, along with senior colleagues at NIPFP. She, alongwith Lekha Chakraborty, assisted the Department of Women and Child Development (DWCD) to prepare a methodological framework to assess the impact of gender budgeting on nine departments. She was one of the expert resource persons in two workshops organised by the DWCD for these nine departments, besides several others where gender budgeting is recognised. She has nearly completed a co-authored project, **Costs of Urban Infrastructure: Evidence from Indian Cities, South Asia Network of Economic Research Institutes**. Among her on-going work is the co-authored project, **Developing Physical and Fiscal Norms for Provision of Basic Infrastructure Services and Octroi in Andaman and Nicobar Islands**. The project is funded by the Andaman and Nicobar Administration.

Kala Sridhar was an invited delegate to discuss implications of suburbanisation for Delhi at a meeting held by the Delhi Finance Commission for their report to the NCT of Delhi. She was a medal finalist, at ***Medals for Research on Development Competition, Seventh Annual Conference*** of the Global Development Network, for her paper on “Growth Centres, Economic Development and Governance: Evidence from India”, at St. Petersburg Russia.

She coordinated a one-week training programme on ***Fiscal Policy*** for the probationers of Indian Economic Service. She lectured on “Fiscal Policy: Growth and Poverty Reduction in the States” in three NIPFP training courses for IA&AS probationers, IES probationers and middle level officers of Assam government; and on “Principals and Approaches to Public Finance” in the IA&AS course.

The following papers of Kala Sridhar were presented at various workshops, conferences, and symposia:

“Location Choice of Firms: Recent Evidence from India and China” at a workshop in Antwerp, Belgium; “Cost of Urban Infrastructure: Evidence from Indian Cities”, in a conference at Islamabad, Pakistan; “Telecommunications Infrastructure and Economic Growth: Evidence from Developing Countries” at a Conference in Helsinki, Finland; and “Cities with Suburbs: Evidence from India” at a World Bank/UPEA Urban Research symposium in Brazil.

The year saw her publish a book at Palgrave, Macmillan, Incentives for *Regional Development: Competition among Sub-National Governments*; A case study “Institutional Arrangements for Land-use in Ludhiana, Punjab” in an edited volume; and a co-authored article, “Educational Outcomes: DPEP or Catching Up? in the *EPW*. She published as many as five articles in financial dailies.

• **Anit N. Mukherjee**, Consultant, is a member of the NIPFP project team on **Financing Human Development** sponsored by UNDP. His association with the International Food Policy Research Institute (IFPRI), Washington D.C. led him to write two Discussion Papers, “Rural and Urban Dynamics and Poverty: Evidence from China and India”; and “Rural Non–Farm Development in China and India: Role of Policies and Institutions” with Chinese co-authors. The second paper was translated and published in *China Economic Quarterly*.

He was invited by School of International Studies, JNU, to act as a discussant in a seminar on governance. He also participated in a national workshop on **Health and Nutrition in India** at the Delhi School of Economics, Delhi.

• **C. Bhujanga Rao**, Senior Economist, completed and submitted two projects to the Resource and Expenditure Commission, **Uttar Pradesh: Reforming the Budgetary System**; and **Uttar Pradesh: Medium Term Expenditure Policy** along with two other colleagues at the Institute.

He was a co-author of the chapter on State Finances in **Uttar Pradesh Development Report** which was prepared at the instance of the Planning Commission. A revised version of the findings on Uttar Pradesh finances was presented by C. Bhujanga Rao in a workshop organised by the Government of U.P. and the NCAER, at Lucknow. He is currently member of a team working on **Rural Decentralisation and Participatory Planning for Poverty Reduction**, a UNDP project, led by Indira Rajaraman.

He published a co-authored paper on “Irrigation Subsidies in India: Some Observations” in the *Indian Journal of Economics* and co-authored paper on “Rural Poverty in Chhattisgarh: Findings of a Primary Survey” in *GGU Journal of Business*. At NIPFP, he continued to be convenor of seminars, and member of the Institute’s Tender Committee.

• **Gautam Naresh**, Senior Economist, is finalising alongwith two other colleagues at NIPFP, the draft of **State Development Report of Mizoram**, a project of the Planning Commission of India. The team prepared a paper, “An Approach to State Development of Mizoram: Year 2020” which was discussed at a seminar on **NER Vision, 2020**, at Aizawl. Gautam Naresh presented a paper on “Economics of Parking Policy: Issues and Financing” in a workshop organised by Road User Safety Forum at New Delhi in collaboration with the Planning Commission of India. He also chaired a technical session at this workshop. He was a participant in a national seminar on **Accelerated Economic Growth and Regional Balance: Recent Experience and Implications for Inter-State Variations in Development** at New Delhi; besides a workshop on **Ward Power Reforms** in Urban Governance, at JNU. He delivered a lecture on “Property Taxes as a Source of Local Revenue” at IIPA, New Delhi; and on “Financial Administration” at Haryana Institute of Public Administration, Gurgaon.



He continued to be an external examiner for dissertations submitted for partial or complete fulfilment of M.Phil and Ph.D degrees at the Universities of Hyderabad; Punjab; Chandigarh; and Banaras. He is research guide to a dissertation topic, **Fiscal Federalism and Problem of Commodity Taxes in India** of Aligarh Muslim University. He contributed a chapter in an edited volume, *State Level Fiscal Reforms in the Indian Economy, Volume I*.

- **Pratap R. Jena**, Senior Economist, was the Deputy Team Leader and Domestic Public Finance Specialist in the ADB funded project, titled, **Capacity Building for Fiscal Reforms in Sikkim**. The objective of the project was to take an in-depth view of the policies relating to the management of the state public finances and related administrative structure in Sikkim. He is now one in the team of five working on **Rural Decentralisation and Participatory Planning for Poverty Reduction**. He delivered lectures on “Taxonomy and Growth of Public Expenditure”; and on “Forecasting of Revenues and Expenditure” in various NIPFP organised training courses, such as, those for IA&AS probationers; Refresher Course for College and University Teachers; and middle level officers of Government of Assam.

Research output of P.R. Jena included one co-authored article in *Economic and Political Weekly*, with another in the pipeline for a forthcoming issue of the same journal.

He continued to be a member of the Library committee, NIPFP.

- **Pinaki Chakraborty**, Senior Economist, is involved in the completion of a project, entitled, **Carrying Capacity of Government of Karnataka for Pay Revision** along with the Director, NIPFP. The study has been sponsored by the Fifth Pay Commission of Karnataka.

As a joint coordinator of the World Bank sponsored project to NIPFP, **Capacity Building for Budgetary Analyses at the State Level**, he conducted a Western Region Media Workshop at Pune during May, 2005. The three day workshop trained journalists on state level fiscal policy issues for informed debate in media on state level fiscal reforms. At this workshop, he lectured on “State Taxes with Special Emphasis on VAT”. As part of the ADB study, **Policy Research Networking to Strengthen Policy Reform**, Pinaki Chakraborty in collaboration with a colleague, coordinated selective policy oriented research papers by experts in their respective fields under the overall theme of “State Government Budget Constraints and Special Services”. He also organised a 4-week World Bank-NIPFP **Refresher Course on Public Economics for College and University Teachers** for which he designed the course curriculum, including two of his own lectures, “Introduction of VAT”; and Trends and Financing Patterns of Deficits in India: The Macroeconomics Implications”. In addition he delivered four lectures on “VAT in India/States” at: The Economics Association, Delhi College of Arts and Commerce, New Delhi; IEG for probationers of Indian Economic Service; as also at NIPFP; and to the officers from the CAG in a training programme of

NIPFP. He lectured on “Public Debt Management” to foreign nominees under the India Technical and Economic Cooperation and Special Commonwealth Africa Assistance Programme 2005-06; and to middle level officers of central ministries/departments and accounting organisations at Institute of Government Accounts and Finance. At the instance of the second Administrative Reforms Commission, he conducted a two-day workshop on ***Strengthening of Financial Management System for Implementation of National Rural Employment Guarantee Act***. The workshop discussed various issues related to implementation of MREGA, asset creation and outcome. Based on the seminar, a report is also prepared.

He was an invited faculty to teach the module of Public finance for M. Phil Course in Applied Economics at Centre for Development Studies, Thiruvananthapuram. He was a Shastri Fellow of the Year 2005-06 under the Faculty Research Fellowship of Shastri-Indo Canadian Institute to carry out research for five weeks on Federal Funding Arrangement to Aboriginal Self Governments in Canada: Lessons for India” at the University of Ottawa.

He participated in a workshop on ***Reclaiming Development in the Age of Financial Globalization***; organised by International Development Economics Associations at Bilkent University, Ankara, Turkey. He also participated in an international conference titled, ***Acts of Resistance against Globalisation from the South*** organised by Turkish Social Science Association.

Pinaki Chakraborty presented a co-authored paper, “Adjustment Lending to States: Hastening Fiscal Correction or Softening the Budget Constraint” at School of International Studies, JNU. Research output of Pinaki included two papers (one co-authored) published by Economic and Political Weekly; and the other by GGU Journal of Business.

• **Lekha S. Chakraborty**, Senior Economist, continued to contribute research inputs in the area of gender budgeting. She is a member in the committee working on Budgetary Classification to Incorporate Gender Segregation, constituted by the Ministry of Finance. Under a UNIFEM-European Commission project, she has completed her co-authored study, **Local Level Gender Responsive Budgeting**. As part of the project activity, she organised an international expert group meeting at IIC, New Delhi, in association with European Commission, UNIFEM, New York, and IRDC which drew participants from thirteen countries. She has prepared a study on **Ex-post Gender Sensitive Analysis of the Union Budget 2006-07** for UNIFEM.

Currently, she is involved in the completion of a NIPFP-NIBM project entitled, **Gendering Microfinance in India**. In this context, she has prepared two state specific reports, **Empirical Evidence from Assam and Orissa** with a co-author. She was also responsible for organising on behalf of NIPFP, UNDP Regional Office, Bangkok, and UN Capital Development Fund, an international workshop on ***Financing Local Service Delivery for the MDGs: Challenges and***

**Opportunities** with the objective of promoting greater regional exchange and understanding of the scope for promoting local service delivery for millenium development goals, specifically pertaining to their challenges in financing and opportunities. She also organised a one day national conference Gender Budgeting – National Level Stakeholders Consultations–in association with USAID and IFES; thereafter submitted the proceedings of this conference to the IFES.

Lekha Chakraborty was an invitee to several international conferences: **Financing of Development** by European Commission at Brussels, Belgium; for paper presentation at **Tax Symposium** at Levy Economics Institute of Bard College, New York; for paper presentation on “Public Investment and Unpaid Work: Selective Evidence from Time Use Data” at UNDP/BDP-Levy conference on **Unpaid Work and the Economy** at New York; and “Declining Juvenile Sex Ratio in India: Trends and Determinants (co-authored) at IAFPE, University of Sydney, Australia; and as discussant of a paper at a conference on **Engendering Macroeconomics and International Economics** at University of Utah, Salt Lake City, USA. The university retained her as an instructor for May-June, 2005, where she delivered lectures on “Fiscal Policy and Gender” and on the subject of the conference she participated in.

Her paper on “Fiscal Deficit Capital Formation and Crowding Out in India” came up for presentation at the Econometric Society Conference, 2006. A forthcoming volume on the Conference 2005 will include a co-authored paper of hers on “Budgetary forecasting in India: A test of rational expectations”. She presented a paper on “Gender Diagnosis in Microfinance” at a workshop at NIBM, Pune.

At NIPFP, Lekha Chakraborty coordinated a three-week training programme on Public Finance for probationers of Indian Audit and Accounts Service in which she delivered two lectures, “Fiscal Policy and Human Development: Gender Budgeting”; and “Macroeconomics of Fiscal Deficit: Financing Pattern of Deficits”. In addition, she lectured twice in a national level refresher course for college and university teachers at NIPFP on “Fiscal Deficit and Rate of Interest Link: Analytical and Empirical Issues” and “Measurement Issues and Alternative Paradigms of Financing Fiscal Deficit”. She also lectured on “Technical Issues related to Gender Budgeting” at NIPCCD. She was a rapporteur for two national workshops, and one international workshop, all at New Delhi.

Published and research output of Lekha included two papers in two edited volume; a co-authored report on gender budgeting with reference to five countries; a working paper for Department of Women and Child Development, Ministry of HRD\*, Ex-post gender budgeting report to UNIFEM and two articles in a financial newspaper.

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\* On the basis of this paper, the Ministry of HRD organised two workshops to train selected officials of various related ministries to undertake gender budgeting.

• **Subrata Mandal**, Senior Economist, is working on **Modeling Economic Impact of Oil Price Changes on Indian Economy- Methods and Applications** in which various issues pertaining to the impact of oil price changes are being examined. He lectured on “Cost Benefit Analysis of Environmental Policies in India: a Case Study of Supreme Court’s Judgement on Euro Norms” in a refresher course for University Teachers at the Academic Staff College, JNU. Another lecture delivered by Subrata Mandal was “Decentralisation of Environmental Governance in India” in a training course conducted by the NIPFP for the probationers of the Indian Audit and Accounts Service. He attended a workshop on **Quantitative Ecology** in May, 2005 at Trieste, Italy.

His co-authored paper, “Health Damage Cost of Automotive Air Pollution: Cost Benefit Analysis of Fuel Quality Upgradation for Indian Cities” was published as a working paper of NIPFP.

• **Mukesh Kumar Anand**, Senior Economist, saw completion of two projects where he contributed as co-author, namely, **Andaman and Nicobar Islands State Development Report; and Resource Devolution from Centre to States: Enhancing Capacity of States for Implementation of Essential Health Interventions**. He organised and participated in a one-day seminar for presentation of the former report at IHC, New Delhi. The report was subsequently discussed at the Planning Commission New Delhi in November. The second study mentioned above was published as part of Financing and Delivery of Health Care Services in India: Background Papers, National Commission on Macroeconomics and Health, Ministry of Health and Family Welfare. During the course of the year, he organised three training programmes on behalf of NIPFP: a three-day programme entitled, **Capacity Building of Media and Newspersons, Western Region** at Pune (co-organised); besides two one-week duration programmes on **Practical Issues in Fiscal Policy** for middle level officials of the Government of Assam. He delivered five lectures revolving around social security, pension reforms and pension expenditures in the above training programmes. In addition, he lectured on the same topics and on “Non-tax Revenues, Reform of User Charges” and “Equity and Efficiency in Public Expenditure”, in NIPFP organised programmes for probationers of Indian Economic Service; Indian Audit and Accounts Services; and a refresher course for college and university teachers.

Mukesh Anand participated in the consultations on Pension Fund Regulatory and Development Authority Bill, 2005 with the representative of the Ministry of Finance.

He organised a workshop on **Fiscal Management for Disadvantaged States** sponsored by the World Bank and Embassy of Japan at NIPFP.

His article on “Pensions in India” has been accepted for inclusion in an edited volume by OUP. He wrote an article in a leading financial newspaper.

• **H.K. Amarnath**, Senior Economist, is a member of the research team working on **Financing of**



**Human Development in India.** During the year under review, he published an article, “Economic Reforms and Finances of Andhra Pradesh” in the ICFAI Journal of Public Finance.

- **Diwan Chand**, Economist, is involved in the ongoing activity of **Building up a Database on State Plan Resource and Expenditure from Budgetary Sources**, sponsored by the Planning Commission, Government of India.

- **O. P. Bohra**, is a member of the team working on the UNDP project, **Rural Decentralisation and Participatory Planning for Poverty Reduction**. The team is currently carrying out in a pre-testing survey in four select states, namely, Chattisgarh, MP, Orissa, and Rajasthan.

- **Manish Gupta**, Economist, has completed two research projects funded by the Resources and Expenditure Commission, Government of UP along with two other colleagues. The titles of the studies are **Uttar Pradesh: Reforming the Budgetary System**; and **Uttar Pradesh: Medium Term Expenditure Policy**. He is at present a member of a team working on **Rural Decentralisation and Participatory Planning for Poverty Reduction**, a UNDP funded project to NIPFP. He presented his paper, “Costs of Reducing Greenhouse Gas Emissions: A Case Study of India’s Power Generation Sector” at two conferences, one at the international conference on **Environment and Development: Developing Countries Perspective** at the Trade and Development Division, School of International Studies, JNU; and the other at the **Annual Conference** of the Indian Econometric Society, at Guru Nanak Dev University, Amritsar. His specialisation in the area of environment & natural resource economics led him to be invited as an expert by: TERI in its Expert Review Meeting on Natural Resource Accounting for the Minerals Sector in Madhya Pradesh and West Bengal; and by the National Forest Commission Consultative Group in a meeting at *Van Vigyan Bhawan*, New Delhi.

He delivered a lecture on “Externalities and Pollution Taxes” in two lectures in NIPFP-conducted training programmes for college and university teachers; and probationers of IA&AS.

Research output of Manish Gupta included an article entitled, “India and Climate Change: Some Policy Issues” in an international journal.

- **Simanti Bandyopadhyay**, was a member of the team headed by N.J. Kurien that completed and submitted **Sikkim State Development Report** to the Planning Commission. She also assisted senior colleagues at NIPFP in the study, on **Costs of Urban Infrastructure: Evidence from Indian Cities** funded by SANEI. The first draft of the report has since been submitted. At present, she is associated with the team working on **Strengthening Fiscal Capacity of Indian Cities: Implications for Revenue, Service Delivery and Economic Activity**, a research project funded by the World Bank. She presented a paper, “Estimation of Marginal Abatement Costs of Major Pollutants in

India: A Distance Function Analysis for Highly Polluting Industries” in the Fifth Annual Conference held at the Indian Statistical Institute, Kolkata. She was co-author in an article which was included in a volume edited by Suresh S. Tendulkar *et al.*

Simanti submitted her Ph.D thesis, “Externality, Environment, Regulation: A Mechanism Design Approach” to the Centre for Economic Studies and Planning, JNU, New Delhi.

- **Mita Choudhury**, Economist, was member of the research team that completed **Resource Devolution from Centre to States: Enhancing Revenue Capacity of States for Implementation of Essential Health Interventions** for the National Commission on Macroeconomics and Health, Ministry of Health and Family Welfare. The same study was published in Financing and Delivery of Health Care Services in India: Background Papers, National Commission on Macroeconomics and Health, Ministry of Health and Family Welfare. Currently she is involved in the project, **Financing Human Development in India**. The project, sponsored by UNDP and Planning Commission will be completed by end - 2007.

Mita Choudhury presented a paper on “Public Expenditure for Human Development in Tripura” at a UNDP-Government of Tripura conducted workshop on Tripura Human Development Report at Agartala, in September, 2005. She delivered a lecture on “Issues Related to Financing Human Development” in a NIPFP organised training course for IA&AS probationers.

- **Debdatta Majumdar**, Economist, was co-author in the project, **Study for Preparation of an FRBM Bill and Restructuring of State Local Finances for Rajasthan**. She also completed the first draft of a paper regarding mechanisms for floating state contingent debt by the state governments in the context of India. She gave a lecture on the nature of the bond market and its relationship with the issue of sustainability of debt in the NIPFP-World Bank programme for college and university teachers. In addition, Debdatta Majumdar delivered two lectures on “Debt Sustainability” to the probationers of Indian Economic Services at Institute of Economic Growth, Delhi.

She published a co-authored paper, “Equity and Consistency Properties of the Twelfth Finance Commission Recommendations” in *Economic and Political Weekly*.

- **Indrani Roy Chowdhury**, Economist, was in the three-member team that has almost completed the **Mizoram State Development Report** sponsored by the Planning Commission. She presented a paper, “Porter Hypothesis: The Debate Revisited” at an international conference at School of International Studies, JNU. This co-authored paper was later brought out by NIPFP as a working paper. Another paper of Indrani i.e. “Joint Ventures, Pollution, and Environmental Policy” was included in the Institute’s working paper series. She delivered two lectures on “Theories of Common Property Resources”, in the NIPFP-World Bank refresher course for college and university teachers.

Her co-authored paper, “An Approach to State Development of Mizoram: Year 2020” was accepted and discussed at a conference, **Vision NER 2020** at Aizwal University. Her paper on “Merger Pollution and Environmental Policy” is forthcoming in an edited volume.

Her research on “Import Protection as Export Promotion”, was accepted for presentation for a Summer School workshop by the *Centro Studi Luca d’Agliano, Università degli Studi di Milano*, Milan, Italy in September, 2005.

- **Ajay K Halen**, Junior Economist was an associate in the research team involved in the preparation of the National Report on **State of India’s Urbanisation**. He was also part of the team that wrote, **Costs of Urban Infrastructure: Evidence from Indian Cities**.

- **Rita Wadhwa**, Editor, and Publications Incharge, edited two study reports sponsored by the Planning Commission **Sikkim State Development Report** (N.J. Kurien *et al.*); and the **State Development Report of the Andaman and Nicobar Islands** (Rita Pandey *et al.*). In addition, she edited 10 working papers of the Institute including two for the Tax Research Unit. She wrote, compiled, and designed the Institute’s Annual Report 2004-05; besides designing and production of the biannual newsletters of NIPFP. She was a member of the website committee, NIPFP.

- **S. Siva Chidambaram**, Senior Library and Information Officer, continued to oversee the activities’ of the NIPFP library. He published two articles in the course of the year, one was included in an edited volume comprising proceedings of a conference held at PES Institute of Technology, Bangalore, DELNET; and the other in a conference volume brought out by IIT, Madras, Chennai.

## 9 NIPFP STAFF

A complete list of staff members – permanent and contractual – as on March 31, 2006, is at Annexure VI.

## 10 SPONSORING MEMBERS

The sponsoring, corporate, permanent, and ordinary members of the Institute, as on March 31, 2006, are listed at Annexure VII.



## 11 FINANCE AND ACCOUNTS

The statement of Accounts of the Institute for the financial year 2005-2006, duly audited by the Institute's auditors M/s Ajay K. Sud and Associates, Chartered Accountants, may be seen at Annexure VIII.



## ANNEXURE-I

### LIST OF STUDIES 2005-2006

Title	Sponsoring Agency/Research Unit of the Institute	Author(s) Research Team
<b>STUDIES COMPLETED</b>		
1. Gender Budgeting and its Impacts on various Programmes	Dept. of Women & Child Development	Lekha S. Chakraborty Kala S. Sridhar
2. Strengthening of Financial Management for Rural Employment Guarantee Scheme	Administrative Reform Commission	M. Govinda Rao Pinaki Chakraborty
3. Estimation of Corporate Tax for the Largest 10 percent of the Companies in various sectors of the economy and Size Wise Classification of Companies In the Indian Corporate Sector and their Gross Value Added and Corporate Tax Paid	Ministry of Finance	A.L. Nagar Sayam Samanta
4. Projections of Quarterly CT and IT Receipts for the FY 2005-06 and Updated Projections of CT and IT Receipts for the FY 2005-06	Ministry of Finance	A.L. Nagar Sanjay Kumar Sayam Samanta
5. Trends and Issues in Tax Policy and Reform in India	Ministry of Finance	M. Govinda Rao R. Kavita Rao
6. Revenue Implications of Central Tax Exemptions	Ministry of Finance	R. Kavita Rao Amaresh Bagchi Bulbul Sen
7. Capacity Building for Fiscal Reforms in Sikkim	ADB	NIPFP Research Team in association with experts
8. Uttar Pradesh: Reforming the Budgetary System	Resource and Expenditure Commission of Uttar Pradesh	D.K. Srivastava C. Bhujanga Rao Manish Gupta

9. Uttar Pradesh: Medium term Expenditure Policy	Resource and Expenditure Commission of Uttar Pradesh	D.K. Srivastava C. Bhujanga Rao Manish Gupta
10. A Study of State Finances in India (1990-91 to 2002-03)	Planning Commission	Subhash C. Garg
11. Expert Fiscal Policy Advice to Govt. of Chhattisgarh	Govt. of Chhattisgarh	Subhash C. Garg Tapas K. Sen
12. Study for Preparation of an FRBM Bill and Restructuring of State-Local Finances for Rajasthan	Govt. of Rajasthan	Indira Rajaraman O. P. Mathur Debdatta Majumdar
13. Capacity Building in Budgetary Analyses of the State Level	World Bank	Tapas K. Sen Pinaki Chakraborty
14. Policy Research Networking to Strengthen Policy Reform	ADB	M. Govinda Rao Pinaki Chakraborty
15. Resource Devolution from Center to State: Enhancing the Revenue Capacity of States for Implementation of Essential Health Interventions	Ministry of Health and Family Welfare	M. Govinda Rao Mita Choudhury Mukesh Kr. Anand
16. Carrying Capacity of Government of Karnataka for Pay Revision	Govt. of Karnataka	M. Govinda Rao Pinaki Chakraborty
17. State Development Report of Andaman & Nicobar Islands	Planning Commission	Rita Pandey Mukesh Kr. Anand
18. State Development Report of Sikkim	Planning Commission	N.J. Kurien Mahendra Lama Simanti Bandopadhyay S. Chattopadhyay Anuradha Bhasin
19. Rapid City Assessments in Support of the City Challenge Fund (Ludhiana and Rajkot)	WSP World Bank	O. P. Mathur Navroz K. Dubash Kala S. Sridhar

20.	Alternatives to Octroi	Govt. of Punjab	O. P. Mathur
21.	National Urban Renewal Mission i. Toolkit on the Formulation of a City Development Plan ii. Toolkit for Setting a Timeline for Implementing the Urban Reform Agenda	Min. of Urban Development	O. P. Mathur

### ON-GOING STUDIES

1.	State Development Report of Mizoram	Planning Commission	R. Kavita Rao Gautam Naresh Indrani Roy Chowdhury
2.	Cost of Urban Infrastructure: Evidence from Indian Cities	SANEI	O. P. Mathur Kala S. Sridhar Simanti Bandyopadhyay A. K. Halen
3.	Rural Decentralisation and Participatory Planning for Poverty Reduction	UNDP	Indira Rajaraman C. Bhujanga Rao Pratap Ranjan Jena O.P. Bohra Manish Gupta
4.	Fiscal Expenditure Norms and Octroi for Andaman & Nicobar Islands	Andaman Nicobar Administration	O.P. Mathur Kala S. Sridhar Astha Balwani
5.	Preparation of a National Report on State of India's Urbanisation	Ministry of Finance	O. P. Mathur A. K. Halen
6.	Electricity Sector Governance	NIPFP and World Resources Institute (USA) and PRAYAS-Pune	Navroz K. Dubash
7.	Modeling Economic Impact of Oil Price Changes on Indian Economy – Methods and Applications	Petroleum Planning and Analysis Cell, GoI	Subrata Mandal

8.	Local Level Gender Responsive Budgeting	UNIFEM-European Commission Project	M. Govinda Rao Amaresh Bagchi Lekha S. Chakraborty Samik Chowdhury Darshy Sinha
9.	Gendering Microfinance in India: NIPFP-NIBM Project	Min. of Rural Development	Lekha S. Chakraborty Darshy Sinha
10.	Financing of Human Development in India	UNDP	Tapas K Sen H.K. Amarnath Mita Choudhury Anit Mukherjee Sandeep Biswal Narendra Jena
11.	Independent Economic Regulation: An Assessment of Accountability And Good Governance in the Electricity Sector	IIM-Bangalore	Navroz K. Dubash
12.	Database on State Finances	Planning Commission	Tapas K. Sen Diwan Chand Gita Bhatnagar Tanaya Sinha Sushmita Mitra
13.	Public Finance Information System	SFU	Tapas K. Sen Diwan Chand Gita Bhatnagar



## WORKING PAPER SERIES

- |   |  |
|---|--|
| 1. Joint Ventures, Pollution and Environmental Policy (Working Paper No. 31) (April 2005)   | Indrani Roy Chowdhury                  |
| 2. Fiscal Development in Orissa: Problems and Prospects (Working Paper No. 32) (May 2005)   | S. S. Rath                             |
| 3. Fiscal Reforms and Finances of Govt., of Andhra Pradesh (Working Paper No. 33) (June 2005)   | R. Sudarsana Rao                       |
| 4. Fiscal Management in Haryana (Working Paper No. 34) (June 2005)  | N.K. Bishnoi                           |
| 5. Fiscal Deficits and Government Debt in India: Implications for Growth and Stabilisation (Working Paper No. 35) (July 2005)                                 | C. Rangarajan & D.K. Srivastava        |
| 6. Transition to Market and Normative Framework of Fiscal Federalism (Working Paper No. 36) (September 2005)  | M. Govinda Rao                         |
| 7. Health Damage Cost of Automotive Air Pollution: Cost Benefit Analysis of Fuel Quality Upgradation for Indian Cities (Working Paper No. 37) (December 2005) | Ramprasad Sengupta & Subrata Mandal    |
| 8. Re-visiting the Porter Hypothesis (Working Paper No. 38) (February 2006)   | Indrani Roy Chowdhury & Sandwip K. Das |

## TAX RESEARCH UNIT

- |  |   |
|--|---|
| 1. Trends and Issues in Tax Policy and Reform in India (Working Paper No. 1) (October 2005)                        | M.Govinda Rao & Kavita Rao              |
| 2. Raising the Tax Ratio by Reining in the “Tax-Breaks” An Agenda for Action (Working Paper No. 2) (December 2005) | Amaresh Bagchi, Kavita Rao & Bulbul Sen |

## ANNEXURE-II

## INTERNAL SEMINAR SERIES

Sl. No.	Day and Date	Seminar	Topics
1.	Wednesday May 4, 2005	<i>Pierre Henri Vandenberghe</i> and <i>Christian Boulais</i>	<b><i>Value Added Tax: French Experience and Lessons for India</i></b>
2.	Friday August 12, 2005	<i>Monica Das</i> University of California	<b><i>Non-Parametric Estimation of Seemingly Unrelated Regression Equation (SURE)</i></b>
3.	Monday August 22, 2005	Indian Country Roundtable on Fiscal Federalism	<b><i>Global Dialogue Programme: Forum of Federations and NIPFP</i></b>
4.	Tuesday October 18, 2005	<i>Jessica Seddon Wallack</i> IR/PS University of California, San Diego	<b><i>Guarantee or Gamble? Revenue and Risk Sharing in Federations</i></b>
5.	Monday November 7, 2005	<i>Lant Pritchett</i> Social Development Unit South Asia Region World Bank	<b><i>Getting A's on the three F's: The Fiscal Opportunities in Decentralization</i></b>
6.	Tuesday February 14, 2006	<i>Arvind Panagariya</i> Columbia University New York	<b><i>Agriculture: who protects, who benefits and how to liberalise it</i></b>
7.	Tuesday March 28, 2006	<i>Abhijit Sen Gupta</i> University of California Santa Cruz	<b><i>Robust Monetary Policies in Small Open Economies</i></b>

## ANNEXURE-III

### GOVERNING BODY AS ON 31.3.2006

- |    |  |          |
|----|--|----------|
| 1. | Dr. C. Rangarajan<br>Chairman (NIPFP)<br>Chairman<br>Economic Advisory Council to the Prime Minister<br>Vigyan Bhawan Annexe, Maulana Azad Road<br>New Delhi | Chairman |
|----|--|----------|

#### ***Under Rule 7(b)(i)***

#### ***Two nominees of the Ministry of Finance***

- |    |  |        |
|----|--|--------|
| 2. | Dr. Adarsh Kishore<br>Finance Secretary and<br>Secretary (Expenditure)<br>Ministry of Finance, North Block<br>New Delhi-110001 | Member |
| 3. | Shri K.M. Chandrasekhar<br>Secretary (Revenue)<br>Ministry of Finance, North Block<br>New Delhi-110001                         | Member |

#### ***Under Rule 7(b)(ii)***

#### ***One nominee of the RBI***

- |    |  |        |
|----|--|--------|
| 4. | Dr. Narendra Jadhav<br>Principal Adviser and Chief Economist<br>Reserve Bank of India<br>New Central Office Building<br>Shaheed Bhagat Singh Marg<br>Mumbai-400023 | Member |
|----|--|--------|

#### ***Under Rule 7(b)(iii)***

#### ***One nominee of the Planning Commission***

- |    |   |        |
|----|---|--------|
| 5. | Shri Rajeeva Ratan Shah<br>Secretary<br>Planning Commission<br>Yojana Bhawan, Parliament Street<br>New Delhi-110001 | Member |
|----|---|--------|

***Under Rule 7(b)(iv)***

***Three nominees of sponsoring State Govts.***

- |      |  |        |
|------|--|--------|
| 6.   | Shri K. Jose Cyriac<br>Principal Secretary (Finance)<br>Finance (PUB) Department<br>Government of Kerala<br>Government Secretariat<br>Thiruvananthapuram | Member |
| <br> |  |        |
| 7.   | Shri O.P. Gahrotra<br>Additional Chief Secretary (Finance)<br>Finance Department<br>Government of Maharashtra<br>Mantralaya, Mumbai-400 032              | Member |
| <br> |  |        |
| 8.   | Shri H.S. Das<br>Commissioner and Secretary Finance<br>Finance Department<br>Government of Assam<br>Assam Sachivalaya<br>Dispur, Guawhati                | Member |

***Under Rule 7(b)(v)***

***One nominee of a Municipal Corp.***

***Under Rule 7(b)(vi)***

***One nominee of the ICICI***

- |    |  |        |
|----|--|--------|
| 9. | Dr. V.V. Desai<br>Adviser<br>Industrial Credit and Investment<br>Corporation of India Ltd.<br>ICICI Towers<br>C-23, G-Block<br>Bandra-Kurla Complex, Bandra East<br>Mumbai-400 051 | Member |
|----|--|--------|

***Under Rule 7(b)(vii)***

***Two nominees of institutions***

- |     |   |        |
|-----|---|--------|
| 10. | Shri Anil K. Agarwal<br>President<br>Associated Chambers of Commerce<br>and Industry of India<br>147-B Gautam Nagar<br>New Delhi-110049 | Member |
|-----|---|--------|



11. Shri Saroj K. Poddar  
President  
Federation of Indian Chambers of  
Commerce and Industry  
Federation House, Tansen Marg,  
New Delhi-110 001
- Member

***Under Rule 7(b)(viii)***  
***Three eminent economists***

12. Dr. Bibek Debroy  
Secretary General  
PHD Chamber of Commerce and Industry  
PHD House, 4/2 Siri Institutional Area  
August Kranti Marg, New Delhi-110 016
- Member
13. Prof. Pulin B. Nayak  
Delhi School of Economics  
University of Delhi  
Sudhir Bose Marg, Delhi-110 007
- Member
14. Dr. Shankar N. Acharya  
RBI Chair Professor  
ICRIER  
India Habitat Centre, Core 6A, 4th floor  
Lodi Estate, New Delhi-110 003
- Member

***Under Rule 7(b)(ix)***  
***Three representatives of collaborative inst.***

15. Dr. Suman Bery,  
Director General  
NCAER,  
11, Parisila Bhawan  
I.P. Estate, Ring Road, New Delhi – 110002
- Member
16. Dr. S.K. Rao  
Principal  
Administrative Staff College of India  
Bella Vista, Hyderabad-500 082
- Member
17. Dr. R. Radhakrishna  
Director  
Indira Gandhi Institute of Development Research  
Gen. A.K. Vaidya Marg, Santosh Nagar  
Goregaon (East), Mumbai-400 065
- Member

***Under Rule 7(b)(x)***  
***One member to be co-opted by Governing Body***

- |   |        |
|---|--------|
| 18. Shri Yezdi Hirji Malegam<br>S.B. Billimoria & Company<br>Meher Chambers, R. Kamani Road<br>Ballard Estate, Mumbai-400 001 | Member |
|---|--------|

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

- |  |                  |
|--|------------------|
| 19. Dr. M. Govinda Rao<br>Director, NIPFP<br>New Delhi | Member-Secretary |
|--|------------------|

***Under Rule 7(b)(xii)***  
***One Senior Fellow of the Institute by rotation***

- |  |        |
|--|--------|
| 20. Dr. Navroz K. Dubash<br>Senior Fellow, NIPFP<br>New Delhi-110067 | Member |
|--|--------|

***Special Invitees***

- |  |  |
|--|--|
| 1. Dr. Ashok Lahiri<br>Chief Economic Adviser<br>Ministry of Finance, North Block<br>New Delhi - 110001                          |  |
| 2. Ms. M.H. Kherawala<br>Chairperson<br>Central Board of Direct Taxes<br>Ministry of Finance<br>North Block, New Delhi-110 001   |  |
| 3. Shri M. Jayaraman<br>Chairman<br>Central Board of Excise and Customs<br>Ministry of Finance<br>North Block, New Delhi-110 001 |  |

## ANNEXURE-IV

### LIST OF PRICED PUBLICATIONS

1. ***Incidence of Indirect Taxation in India 1973-74*** R.J. Chelliah & R.N. Lal (1978) Rs 10.
2. ***Incidence of Indirect Taxation in India 1973-74*** R.J. Chelliah & R.N. Lal (Hindi Version) (1981) Rs 20.
3. ***Trends and Issues in Indian Federal Finance\**** R.J. Chelliah & Associates (Allied Publishers) (1981) Rs 60.
4. ***Sales Tax System in Bihar\**** R.J. Chelliah & M.C. Purohit (Somaiya Publications) (1981) Rs 80.
5. ***Measurement of Tax Effort of State Governments 1973-76\**** R.J. Chelliah & N. Sinha (Somaiya Publications) (1982) Rs 60.
6. ***Impact of the Personal Income Tax*** Anupam Gupta & Pawan K. Aggarwal (1982) Rs 35.
7. ***Resource Mobilisation in the Private Corporate Sector*** Vinay D. Lall, Srinivas Madhur & K.K. Atri (1982) Rs 50.
8. ***Fiscal Incentives and Corporate Tax Saving*** Vinay D. Lall (1983) Rs 40.
9. ***Tax Treatment of Private Trusts*** K Srinivasan (1983) Rs 140.
10. ***Central Government Expenditure: Growth, Structure and Impact (1950-51 to 1978-79)*** K.N. Reddy, J.V.M. Sarma & N. Sinha (1984) Rs 80.
11. ***Entry Tax As An Alternative to Octroi*** M.G. Rao (1984) Rs 40 paperback; Rs 80 hardcover.
12. ***Information System and Evasion of Sales Tax in Tamil Nadu*** R.J. Chelliah & M.C. Purohit (1984) Rs 50.
13. ***Evasion of Excise Duties in India: Studies of Copper, Plastics and Cotton Textile Fabrics (1986)*** A. Bagchi et. al (1986) Rs 180.
14. ***Aspects of the Black Economy in India*** (also known as “Black Money Report”) Shankar N. Acharya & Associates, with contributions by R.J. Chelliah (1986) Reprint Edition Rs 270.
15. ***Inflation Accounting and Corporate Taxation*** Tapas Kumar Sen (1987) Rs 90.
16. ***Sales Tax System in West Bengal*** A. Bagchi & S.K. Dass (1987) Rs 90.
17. ***Rural Development Allowance (Section 35CC of the Income-Tax Act, 1961): A Review*** H.K. Sondhi & J.V.M. Sarma (1988) Rs 40.

18. ***Sales Tax System in Delhi*** R.J. Chelliah & K.N. Reddy (1988) Rs 240.
19. ***Investment Allowance (Section 32A of the Income Tax Act, 1961): A Study*** J.V.M. Sarma & H.K. Sondhi (1989) Rs 75 paperback Rs 100 hardcover.
20. ***Stimulative Effects of Tax Incentive for Charitable Contributions: A Study of Indian Corporate Sector*** Pawan K. Aggarwal (1989) Rs 100.
21. ***Pricing of Postal Services in India*** Raghbendra Jha, M.N. Murty, & Satya Paul (1990) Rs 100.
22. ***Domestic Savings in India - Trends and Issues***<sup>#</sup> Uma Datta Roy Choudhury & Amaresh Bagchi (ed.) (1990) Rs 240.
23. ***Sales Taxation in Madhya Pradesh***<sup>#</sup> M. Govinda Rao, K.N. Balasubramanian, and V.B. Tulasidhar (Vikas Publishing House) (1991) Rs 125.
24. ***The Operation of MODVAT***<sup>#</sup> A.V.L. Narayana, Amaresh Bagchi, and R.C. Gupta, (Vikas Publishing House) (1991) Rs 250.
25. ***Fiscal Incentives and Balanced Regional Development: An Evaluation of Section 80 HH***<sup>#</sup> Pawan K. Aggarwal and H.K. Sondhi (Vikas Publishing House) (1991) Rs 195.
26. ***Direct Taxes in Selected Countries: A Profile*** (Vol.I & II) Rs 100.
27. ***Effective Incentives for Aluminium Industry in India*** Monograph Series - I Bishwanath Goldar (1991) Rs. 100.
28. ***Survey of Research on Fiscal Federalism in India*** Monograph Series - II M.Govinda Rao and R.J. Chelliah (1991) Rs. 100.
29. ***Revenue and Expenditure Projections: Evaluation and Methodology***<sup>#</sup> V.G. Rao, Revised and Edited by Atul Sarma (Vikas Publishing House) (1992) Rs. 195.
30. ***Sales Tax Systems in India: A Profile*** 1991 Rs 150.
31. ***State Finances in India***<sup>#</sup> Amaresh Bagchi, J.L. Bajaj, and William A. Byrd (eds.) (Vikas Publishing House) (1992) Rs 450.
32. ***Fiscal Policy for the National Capital Region***<sup>#</sup> Mahesh C. Purohit, C. Sai Kumar, Gopinath Pradhan, and O.P. Bohra (Vikas Publishing House) (1992) Rs. 225.
33. ***Import Substitution in the Manufacturing Sector*** Monograph Series III, Hasheem N. Saleem (1992) Rs 150.
34. ***Sales Tax Systems in India: A Profile***, 1993 Rs. 150.
35. ***The Ninth Finance Commission: Issues and Recommendations*** (A selection of papers) (1993) Rs.490.



36. ***Direct Taxes in Selected Countries: A Profile*** (Vol. III) compiled by K. Kannan and Mamta Shankar (1993) Rs.80.
37. ***Inter-State and Intra-State Variations in Economic Development and Standard of Living*** (Monograph Series IV) (1993) Uma Datta Roy Choudhury Rs.200.
38. ***Tax Policy and Planning in Developing Countries\**** Amaresh Bagchi and Nicholas Stern (*eds.*) (1994) (Oxford University Press) Rs.435.
39. ***Reform of Domestic Trade Taxes in India: Issues and Options*** Study Team (1994) Rs.250.
40. ***Private Corporate Sector: Generation and Regeneration of Wealth#*** Uma Datta Roy Choudhury (Vikas Publishing House) (1996) Rs.395.
41. ***Controlling Pollution: Incentives and Regulations*** Shekhar Mehta, Sudipto Mundle and U. Sankar (Sage Publications) (1997) Rs.250.
42. ***India: Tax Policy for the Ninth Five Year Plan (1997-98 to 2001-02)\**** (Report of the Working Group on Tax Policy of the Steering Group on Financial Resources - Chairman Parthasarathi Shome) (Centax Publications Pvt. Ltd.) (1997) Rs.350.
43. ***Value Added Tax in India: A Progress Report#*** Parthasarathi Shome (*ed.*) (Centax Publications Pvt. Ltd.) (1997) Rs.250.
44. ***Fiscal Policy Public Policy & Governance#*** Parthasarathi Shome (*ed.*) (Centax Publications Pvt. Ltd.) (1997) Rs.400.
45. ***Government Subsidies in India*** D.K. Srivastava and Tapas K. Sen (1997) Rs.285.
46. ***Economic Instruments for Environment Sustainability*** U. Sankar and Om Prakash Mathur (1998) Rs.150.
47. ***India: The Challenge of Urban Governance\*\**** Om Prakash Mathur (*ed.*) (1999) Rs.400.
48. ***State Fiscal Studies - Assam*** D.K. Srivastava, Saumen Chattopadhyay and T.S. Rangamannar (1999) Rs.200.
49. ***State Fiscal Studies - Punjab*** Indira Rajaraman, H. Mukhopadhyay and H.K. Amarnath (1999) Rs.200.
50. ***State Fiscal Studies - Kerala*** D.K. Srivastava, Saumen Chattopadhyay and Pratap Ranjan Jena (1999) Rs.200.
51. ***Delhi Fiscal Study*** Om Prakash Mathur and T.S. Rangamannar (2000) Rs.250.
52. ***Fiscal Federalism in India Contemporary Challenges Issues Before the Eleventh Finance Commission#*** D.K. Srivastava (*ed.*) (Har-Anand Publications Pvt. Ltd.) (2000) Rs.695.

53. ***State Fiscal Studies - Haryana*** Tapas K. Sen, R. Kavita Rao (2000) Rs.200.
54. ***Control of Public Money: The Fiscal Machinery in Developing Countries\**** A. Premchand (Oxford University Press) (2000) Rs.745.
55. ***Primer on Value Added Tax\**** R.J. Chelliah, Pawan K. Aggarwal, Mahesh C. Purohit and R. Kavita Rao (Har-Anand Publications Pvt. Ltd.) (2001) Rs.195.
56. ***Central Budgetary Subsidies in India*** D.K. Srivastava and H.K. Amar Nath (2001) Rs.170.
57. ***Approach to State-Municipal Fiscal Relations: Options and Perspectives*** Om Prakash Mathur (2001) Rs.200.
58. ***Trade and Industry: Essays by NIPFP-Ford Foundation Fellows\**** Ashok Guha, K.L. Krishna and Ashok K. Lahiri (*ed.*) (Vikas Publishing House Pvt. Ltd.) (2001) Rs.450.
59. ***Transfer Pricing and Regulations for India: Approvals and Alternatives\**** S.P. Singh, Amaresh Bagchi with contributions by R.K. Bajaj (UBS Publishers' and Distributors Pvt. Ltd.) (2002) Rs.395.
60. ***Discriminatory Tax Treatment of Domestic vis-à-vis Foreign Products: An Assessment*** Pawan K. Aggarwal and V. Selvaraju (2002) Rs.200.

\* Available with respective publishers.

# Co-published/available with NIPFP.

\*\* Only photocopied book available.

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**Note : Publications at Sl. No. 1 to 38, 40, 41s and 54 are not available for sale now.**

## PUBLISHED MATERIAL OF NIPFP FACULTY

## C. RANGARAJAN

- a. Twelfth Finance Commission: Approach and Recommendations, *Economic and Political Weekly*, XL(31);July, 30, 2005.
- b. (co-author: D.K. Srivastava) “Fiscal Deficits and Government Debt in India Implications for Growth and Stabilisation”, Working Paper No. 35, NIPFP, New Delhi, July, 2005; and *Economic and Political Weekly* XL(27);July, 2005.
- c. One article in *Financial Expresss*.

## M. GOVINDA RAO

- a. *Mid-Year Review of the Indian Economy – 2005-2006*, India International Centre, New Delhi: Shipra Publications (2006).
- b. (co-editor Peter S. Heller) “Sustainable Fiscal Policy for India: An International Perspective” . New Delhi: Oxford University Press (2006).
- c. (co-author: Nirvikar Singh) “India’s Federal Institutions and Economic Reform” in (eds.) Kapur Devesh and Pratap Bhanu Mehta, *Public Institutions in India: Performance and Design*; 351-405. New Delhi: Oxford University Press (2005).
- d. (co-author: Pratap R. Jena) “Twelfth Finance Commission – Balancing Stability, Equity and Efficiency” *Economic and Political Weekly*, XL(31); 3405-12 (July, 2005).
- e. “Transition to Market and Normative Framework of Fiscal Federalism”, Working Paper No. 36, NIPFP, New Delhi, September 2005.
- f. (co-author Kavita Rao) “Trends and Issues in Tax Policy and Reform”, Working Paper No.1, NIPFP Tax Research Unit, October 2005.
- g. (co-authors: Mita Choudhury and Mukesh Anand) “Resource Devolution from the Centre to States: Enhancing the Revenue Capacity of States for Implementation of Essential Health Interventions” in *Financing and Delivery of Health Care Services in India, Background Papers*, National Commission on Macroeconomics of Health, Ministry of Health and Family Welfare, Government of India, New Delhi; 297-318 (2005).
- h. “Tax System Reform in India: Achievements and Challenges Ahead”, *Journal of Asian Economics*, 16(6); 993-1011 (December, 2005).
- i. “Changing Contours of Federal Fiscal Arrangements in India” in Bagchi Amaresh (ed.) *Readings in Public Finance*. New Delhi: Oxford University Press; 437-464 (2005).
- j. “Resolving Fiscal Imbalance: Issues in Tax Sharing”, in (eds.) Broadway Robin and Anwar Shah *Intergovernmental Fiscal Relations in Developing Countries* (forthcoming).
- k. “Transition to Market and Normative Framework of Fiscal Federalism” in (eds.) Ahmad Ehtisham and Georgio Brosio, *Handbook in Fiscal Federalism*. USA: Edward Elgar (forthcoming).
- l. (co-author: Nirvikar Singh) “Asymmetric Federalism in India” in (eds.) Bird Richard M. and Robert D. Ebel, *Fiscal Fragmentation in Decentralized Countries: Subsidiarity, Solidarity and Asymmetry*. Edward Elgar (forthcoming).
- m. 11 articles in *Business Standard*; 1 article in *Financial Express*; and 1 in *Budget DNA Macroeconomy*.

### RAJA J. CHELLIAH

- a. “The Malady of Continuing Fiscal Imbalance”, *Economic and Political Weekly*, XL(31);July-August, 2005.

### AMARESH BAGCHI

- a. “Financial Administration of the State during the Colonial and post-Colonial Rule – The Institutions of C&AG, Finance Commission, Planning Commission, PAC etc.” in the volume, *Constitutional History of India*.
- b. (co-authors: Kavita Rao & Bulbul Sen) “Raising the Tax Ratio by Reining in the “Tax-Breaks” Working Paper No. 2, NIPFP Tax Research Unit, December 2005.
- c. ‘Introduction’ and ‘Overview’ of “Report of the Twelfth Finance Commission”, special issue of *Economic and Political Weekly*.

### D.K. SRIVASTAVA

- a. (co-author: C. Rangarajan) “Fiscal Deficits and Government Debt in India: Implications for Growth and Stabilisation”, Working Paper No. 35, NIPFP, New Delhi, July, 2005 and *Economic and Political Weekly* XL(27);July, 2005.
- b. (co-authors: Pinaki Chakraborty and Bhujanga C. Rao) “Rural Poverty in Chattisgarh: Findings of Primary Survey” GGU Journal of Business, 1(2), July-December, 2005.
- c. (co-editor: M. Narasimhulu) *State Level Fiscal Reforms in Indian Economy*, Vol. I. New Delhi: Deep and Deep Publications Pvt. Ltd., (2006).

### INDIRA RAJARAMAN

- a. (co-authors: Shashank Bhide and R.K. Pattnaik) *A Sustainable Fiscal Policy for India: An International Perspective*. Mumbai: Reserve Bank of India (2005).
- b. “Fiscal Developments and Outlook in India” in (eds.) Heller Peter and M.G. Rao, *A Sustainable Fiscal Policy for India: An International Perspective*. New Delhi: Oxford University Press (2006).
- c. “Coins: Some Persistence Issues” in (ed.) Ray Himanshu, *Power and Communication : Coins as Political and Cultural Documents* ;108-115. Mumbai: Marg Publications (2006).
- d. “Financing Rural Infrastructure in Developing Countries” *Applied Econometrics and International Development*, 5(2); 53-70(April-June 2005).
- e. (co-author: Debdatta Majumdar) “Equity and Consistency Properties of the Twelfth Finance Commission Recommendations” *Economic and Political Weekly* XL(31);3413-20 (July, 2005).
- f. “Fiscal Perspective on Irrigation Water Pricing: A Case Study of Karnataka, India *Water Policy*, 8(2);171-181 (March 2006).
- g. (co-author: Alan Deardorff) “Can Export Taxation Counter Monopsony Power?” Research Seminar in *International Economics* Discussion Paper 541. University of Michigan School of Public Policy/ Department of Economics (June 2005).
- h. (co-author: Mukta Mukherjee) “Predicting the Probability of Default on Bank Loans”, *Empirical Economics Letters 2006* (forthcoming).
- i. “The Design of Liquor Taxation and Its Impact on Rural Consumption” February 2006 (mimeo).
- j. Book Review XXIX(6) (June) 2005, 21-22. Review of “Development and Nationhood: Essays in the Political Economy of South Asia, Desai Meghnad. New Delhi: Oxford University Press, 2005 and “The Politics of Economic Reforms in India”, in (ed.) Jos Mooij, Sage Publishers (2005).

- k. 2 Articles in *Economic Times*; 1 in *Financial Express*; 1 in *Hindustan Times*; and 1 in *India Today*.

#### NAVROZ K DUBASH

- a. (co-editor: Daljit Singh) "What does Global Experience with Electricity Restructuring Mean for India?" Special issue of *Economic and Political Weekly*. (December, 2005).
- b. (co-author: Jim Williams) "The Political Economy of Electricity Liberalization" in (eds.) Byrne John, Leigh Glover, and Noah Toly, *Transforming Power: Energy as a Social Project*. New Brunswick, NJ: Transaction Publishers (2006).
- c. (co-author: Daljit Singh) "Of Rocks and Hard Places: A Critical Review of Recent Global Experience with Electricity Restructuring", *Economic and Political Weekly*, (December, 2005).
- d. (co-author: Rob Bradley), "Pathways to Rural Electrification in India: Are National Goals also an International Opportunity?" in (eds.) Bradley Rob and Kevin A. Baumert, *Growing in the Greenhouse: Protecting the Climate by Putting Development First*, Washington DC: World Resources Institute (2005).
- e. (co-author: Frances Seymour), "Environmental Security as a Criterion for Decision-Making", in Picciotto Robert and Rachel, *Weaving Security and Development: Investing in Peace and Prosperity*. London: Routledge (2005).
- f. (co-author: Alberto Cho), "Will Investment Rules Shrink Policy Space for Sustainable Development? Evidence from the Electricity Sector." in (eds.) Gallagher Kevin, *Putting Development First: The Importance of Policy Space in the WTO and IFIs*. London: Zed Books (2005).
- g. (co-author: Robert Bradley), "Rural Electrification: Light the Way", *The Hindu Survey of the Environment*; 73-79 (2005).

#### RITA PANDEY

- a. "Unregulated Lead Extraction from used Lead Acid Batteries Cannot be Ignored", *Down to Earth*, Centre for Science and Environment, New Delhi (August 2005).
- b. "Looking Beyond I&M in Reducing Pollution from in-Use Vehicles", *Environmental Economics and Policy Studies* (forthcoming).
- c. "Pollution Taxes for Industrial Water Pollution Control" in (eds.) Sahu N.C . and A.K. Choudhary, *Dimensions of Environmental and Ecological Economics*. Hyderabad: Universities Press (October 2005).

#### R. KAVITA RAO

- a. (co-author: M. Govinda Rao) "Trends and Issues in Tax Policy and Reforms in India", Working Paper No. 1, NIPFP Tax Research Unit(October 2005).
- b. (co-author: A. Bagchi and Bulbul Sen) "Raising the Tax Ratio by Reining in the "Tax-Breaks" An Agenda for Action", Working Paper No. 2, NIPFP Tax Research Unit (December 2005).

#### SUBHASH CHANDRA GARG

- a. 4 articles in *Business Standard*; and 1 in *Economic Times*

#### BULBUL SEN

- a. (co-author: A. Bagchi and Kavita Rao) "Raising the Tax Ratio by Reining in the "Tax-Breaks"



- b. An Agenda for Action”, Working Paper No. 2, NIPFP Tax Research Unit (December 2005).
- b. 2 articles in *Economic Times*.

### **KALA S. SRIDHAR**

- a. “Incentives for Regional Development: Competition among Sub-National Governments”, Basingstoke: Palgrave Macmillan (August 2005).
- b. “Institutional Arrangements for Land Use in Ludhiana, Punjab,” in (ed.) Rastogi A. *India Infrastructure Report 2006: Urban Infrastructure*. New Delhi: Oxford University Press (2006).
- c. (co-author: Shailendra Singh) “Educational Outcomes: DPEP or Catching up?”, *Economic and Political Weekly*, 40 (35); 3863-73 (August, 2005).
- d. 4 articles in *Financial Express*; and 1 article in *The Hindu Business Line*.

### **ANIT N. MUKHERJEE**

- a. (co-author: Shenggen Fan and Connie Chang-Kang) “Rural and Urban Dynamics and Poverty: Evidence from China and India”, International Food Policy Research Institute (IFPRI) DSG Discussion Paper No. 23, Washington D.C. (2005).
- b. (co-author: Xiaobo Zhang) “Rural Non Farm Development in China and India: Role of Policies and Institutions”, International Food Policy Research Institute (IFPRI) DSG Discussion Paper No.24, Washington D.C. (2005). Also translated and published in *China Economic Quarterly*.

### **PRATAP RANJAN JENA**

- a. “Fiscal Marksmanship: Link between Forecasting Central Tax Revenues and States Fiscal Management”. *Economic and Political Weekly*. (forthcoming)
- b. (co-author: M.G. Rao) “Twelfth Finance Commission: Balancing Stability, Equity, and Efficiency” *Economic and Political Weekly*, XL(31); 3405-12 (July, 2005).

### **C. BHUJANGA RAO**

- a. (co-authors: D.K. Srivastava and Pinaki Chakraborty) “Rural Poverty in Chattisgarh: Findings of a Primary Survey”, *GGU Journal of Business*, 1(2), 2005 (July-December, 2005).

### **GAUTAM NARESH**

- a. “Where do we Stand in State-Level Fiscal Reforms in India: A Trend Analysis of Deficits” in (eds.) Srivastava D.K. and M. Narasimhulu, *State Level Fiscal Reforms in the Indian Economy*, Vol. 1; 321-372. New Delhi: Deep & Deep Publications Pvt. Ltd. (2005).

### **PINAKI CHAKRABORTY**

- a. “Debt Swap in A Low Interest Rate Regime: Unequal Gains and Future Worries,” *Economic and Political Weekly* XL(40);4357-4362 (October, 2005).
- b. (co-authors: D.K. Srivastava and Bhujanga C. Rao) “Rural Poverty in Chattisgarh: Findings of a Primary Survey” *GGU Journal of Business*, 1(2); (July-December, 2005).

### LEKHA S. CHAKRABORTY

- a. (co-author: Darshy Sinha) “ Budgetary Forecasting in India: A Test of Rational Expectations” in Econometric Society Conference Volume, 2005 (forthcoming).
- b. “Public Policy Stance and Human Development: A Panel Analysis” in (eds.)Bhattacharya B.B. and A. Mitra, *Macroeconomics and Welfare*. New Delhi: Academic Foundation (2005).
- c. (co-authors: M. Govinda Rao and Amaresh Bagchi) Fiscal Decentralisation and Gender Budgeting: Empirical Investigation of Selected Five Countries. Submitted to UNIFEM, New York (mimeo).
- d. “Fiscal Deficit and Selected Rates of Interest Link in India: An Anaylsis of period between 1970-70 and 1999-2000 in (eds.) Srivastava D.K. and M. Narasimhulu, *State Level Fiscal Reforms in the Indian Economy*. New Delhi: Deep and Deep Publications Pvt. Ltd., (2006).
- e. 2 Articles in *Financial Express*.

### MUKESH KUMAR ANAND

- a. (co-author: M. Govinda Rao and Mita Choudhury) “Resource Devolution from the Centre to State: Enhancing the Revenue Capacity of States for Implementation of Essential Health Interventions”, Financing and Delivery of Health Care Services in India, Background Papers, National Commission on Macroeconomics and Health, Ministry of Health and Family Welfare, Government of India; 297-318(September, 2005).
- b. “Pensions in India” in (ed.) Kaushik Basu , *Oxford Companion to Economics in India*. New Delhi: Oxford University Press. (forthcoming)
- c. 1 article in *Economic Times*.

### SUBRATA MANDAL

- a. (co-author: Ramprasad Sengupta) “Health Damage Cost of Automotive Air Pollution: Cost Benefit Analysis of Fuel Quality Upgradation for Indian Cities”, NIPFP Working Paper No. 37, December, 2005.

### H.K. AMARNATH

- a. “Economic Reforms and Finances of Andhra Pradesh”, *The ICFAI Journal of Public Finances*, IV(1), Hyderabad.

### MITA CHOUDHURY

- a. (co-author: M. Govinda Rao and Mukesh Anand) “Resource Devolution from the Centre to State: Enhancing the Revenue Capacity of States for Implementation of Essential Health Interventions”, Financing and Delivery of Health Care Services in India, Background Papers, National Commission on Macroeconomics and Health, Ministry of Health and Family Welfare, Government of India; 297-318, 2005 (September).

### DEBDATTA MAJUMDAR

- a. (co-author: Indira Rajaraman) “Equity and Consistency Properties of the Twelfth Finance Commission Recommendations” *Economic and Political Weekly* XL(31); 3413-20 (July, 2005).

### **INDRANI ROY CHOWDHURY**

- a. “Joint Ventures, Pollution and Environmental Policy”, NIPFP Working Paper No. 31, April 2005.
- b. (co-author: Sandwip Das) “Revisiting the Porter Hypothesis”, NIPFP Working Paper No. 38, February 2006.

### **MANISH GUPTA**

- a. “India and Climate Change: Some Policy Issues, *International Journal of Environment and Development*, 2(2); 359-52 (December 2005).

### **SIMANTI BANDYOPADHYAY**

- a. (co-author: Sarmila Banerjee) “Prospects of Market for Water Pollution in India: A Study Based on Selected Dirty Industries” in (eds.) in Tendulkar Suresh D. *et. al., India: Industrialisation in a Reforming Economy (Essays for K.L. Krishna)*; 617-637. New Delhi: Academic Foundation (2006).

### **S. SIVA CHIDAMBARAM**

- a. “Disseminating Knowledge Resource through WEBLOGS”, in (eds.) Kaul, H.K. and Gayathri Sen; *Library and Information Networking: NACLIN 2005*, New Delhi: DELNET (2006).
- b. “Improved Access to Indian Socioeconomic Data for Understanding the Regional Economy through World Wide Web (WWW)”, (eds.) Amitabha Chatterjee *et.al., LIS Profession in India: Vision for 2010*. XXV All Indian Conference of IASLIC. Madras: IIT Chennai (2005).

## ANNEXURE-VI

### LIST OF STAFF MEMBERS AS ON 31.03.2006

- |    |                   |          |
|----|-------------------|----------|
| 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. D.K. Srivastava            | Senior Fellow (resigned on 6/7/05) |
| 5.  | Dr. Tapas Kumar Sen            | Senior Fellow                      |
| 6.  | Dr. Navroz K. Dubash           | Senior Fellow                      |
| 7.  | Dr. (Ms.) Rita Pandey          | Senior Fellow                      |
| 8.  | Dr. (Ms.) R. Kavita Rao        | Senior Fellow                      |
| 9.  | Dr. (Ms.) Kala S. Sridhar      | Fellow                             |
| 10. | Dr. Surender Kumar             | Fellow (resigned on 11/5/05)       |
| 11. | Dr. C. Bhujanga Rao            | Senior Economist                   |
| 12. | Dr. Gautam Naresh              | Senior Economist                   |
| 13. | Dr. Pinaki Chakraborty         | 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. Manish Gupta               | Economist                          |
| 22. | Ms. Simanti Bandopadhyay       | Economist                          |
| 23. | Ms. Mita Choudhury             | Economist                          |
| 24. | Ms. Debdatta Majumdar          | Economist                          |
| 25. | Dr. (Ms) Indrani Roy Chowdhury | Economist                          |
| 26. | Shri A.K. Halen                | Junior Economist                   |
| 27. | Ms. Gita Bhatnagar             | Research Associate                 |
| 28. | Ms. Rita Wadhwa                | Editor                             |

#### ADMINISTRATIVE STAFF

- |    |                        |  |
|----|------------------------|--|
| 1. | Shri B.K. Chakravartti | Secretary  |
| 2. | Shri S.D. Mudliar      | Senior Accounts Officer [on deputation to NIPFP]   |
| 3. | Ms. Sushila Panjwani   | Sr. PPS to Chairman [deputation from Jan 2005]     |
| 4. | Shri N. Natarajan      | Sr. PPS to Director                                |
| 5. | Shri R. Parameswaran   | Private Secretary                                  |
| 6. | Shri R. Periannan      | Private Secretary [on deputation from Sep 5, 2005] |
| 7. | Shri Naveen Bhalla     | Senior Administrative Officer                      |
| 8. | Shri Hari Shankar      | Hostel Manager                                     |

9. Shri Satish Prabhu
10. Shri R.S. Tyagi
11. Shri Praveen Kumar
12. Shri Sharad Aggarwal
13. Shri S.C. Sharma
14. Shri Bhaskar Mukherjee
15. Shri Parvinder Kapur
16. Ms. Promila Rajvanashi
17. Ms. Indra Hassija
18. Shri S.N. Sharma
19. Shri J.S. Rawat
20. Ms. Kavita Issar
21. Shri Anurodh Sharma
22. Shri V.M. Budhiraja
26. Shri Nand Ram
27. Shri Birender Singh Rawat
28. Ms. Ruchi Anand
29. Shri H.B. Pandey
30. Shri Devi Singh
31. Shri Dhanpat
32. Shri Raju
33. Shri Parshu Ram Tiwari
34. Shri Hira Singh
35. Shri Kishan Singh
36. Shri Shiv Bahadur
37. Shri K.N. Mishra
38. Shri Bishamber Pandey
39. Ms. Kamla Tiwari
40. Ms. Annamma George
41. Ms. Palayee
42. Shri Shiv Pratap

Estate Officer  
 Stenographer Gr. I  
 Stenographer Gr. I  
 Accounts Executive [under suspension]  
 Accounts Executive  
 Executive Officer  
 Stenographer Gr.I  
 Stenographer Gr.I  
 Assistant  
 Assistant  
 Assistant  
 Stenographer Gr. II  
 Stenographer Gr.II  
 Clerk (Accounts)  
 Clerk-cum-Typist  
 Clerk (Accounts)  
 Receptionist-cum-Telephone Operator  
 Photocopying Operator  
 Hostel Attendant  
 Hostel Attendant  
 Diver  
 Driver  
 Junior Library Attendant  
 Watchman  
 Gardener  
 Watchman  
 Messenger  
 Messenger  
 Messenger  
 Gardener  
 Gardener

#### **COMPUTER UNIT**

1. Shri N.K. Singh
2. Shri Jagdish Arya
3. Shri Anil Kumar Sharma

EDP Manager  
 Data Processing Assistant Gr. B  
 Superintendent Computer

#### **LIBRARY STAFF**

1. Shri Siva Chidambaram
2. Shri Dinesh Chand
3. Ms. Sudha Saxena
4. Shri P.C. Upadhyay
5. Ms. Manju Thakur
6. Shri Kapil Kumar Ahuja
7. Shri Dharamvir

Senior Library & Information Officer  
 Assistant Library & Information Officer  
 Assistant Library & Information Officer  
 Senior Library & Information Assistant  
 Senior Library & Information Assistant  
 (joined on 9/4/2005)  
 Stenographer Gr.II  
 Sr. Library Attendant



- |    |                  |           |
|----|------------------|-----------|
| 8. | Shri Mohan Singh | Messenger |
| 9. | Shri Puran Singh | Messenger |

#### CONTRACTUAL ACADEMIC STAFF

- |     |                         |  |
|-----|-------------------------|--|
| 1.  | Prof. O.P. Mathur       | Principal Consultant                             |
| 2.  | Ms. Bulbul Sen          | Principal Consultant (joined on 24/6/05)         |
| 3.  | Mr. Subhash Garg        | Principal Consultant (relieved on 31/3/06)       |
| 4.  | Prof. A.L. Nagar        | Hony. Visiting Fellow                            |
| 5.  | Dr. Somik Lall          | Visiting Fellow (joined on 26/9/2005)            |
| 6.  | Ms. Anuradha Bhasin     | Consultant (relieved on 13/5/05)                 |
| 7.  | Mr. M.R. Dohare         | Consultant (relieved on 12/5/05)                 |
| 8.  | Mr. Anit Nath Mukherjee | Consultant (joined on 7/4/05)                    |
| 9.  | Ms. Anindita Pujari     | Consultant (relieved on 31/10/05)                |
| 10. | Ms. Sangeeta Nandi      | Consultant (relieved on 12/9/05)                 |
| 11. | Ms. Harpreet Kaur Dyhia | Consultant (joined on 7/11/05)                   |
| 12. | Ms. Astha Balwani       | Junior Consultant                                |
| 13. | Ms. Megha Gandhi        | Junior Consultant (relieved on 28/2/06)          |
| 14. | Ms. Shikha Gandhi       | Junior Consultant (relieved on 10/3/06)          |
| 15. | Mr. Sandeep Thakur      | Junior Consultant (relieved on 31/5/05)          |
| 16. | Mr. Akshat Vipin        | Junior Consultant (relieved on 19/8/05)          |
| 17. | Ms. P. Basu             | Junior. Consultant (relieved on 12/8/05)         |
| 18. | Ms. Darshy Sinha        | Project Associate                                |
| 19. | Ms. Jeyanthi Krishna    | Project Associate (relieved on 30/11/05)         |
| 20. | Mr. Sayasachi Banerjee  | Project Associate (relieved on 8/8/05)           |
| 21. | Mr. Samik Chowdhury     | Project Associate                                |
| 22. | Mr. Sayan Samanta       | Project Associate                                |
| 23. | Mr. Abhishek Sen        | Project Associate (relieved on 3/3/06)           |
| 24. | Ms. Susmita Mitra       | Project Associate (joined on 4/8/05)             |
| 25. | Mr. Subhro Datta        | Project Associate (relieved on 9/12/05)          |
| 26. | Ms. Anindita Nandy      | Project Associate (joined on 8/8/05)             |
| 27. | Mr. Arijit K. Chaudhury | Project Associate (joined on 6/12/05)            |
| 28. | Ms. Tanya Sinha         | Project Associate (joined 8/12/05)               |
| 29. | Mr. Amitabh Dasgupta    | Project Associate (joined on 12/12/05)           |
| 30. | Mr. Kaushik Ganguly     | Junior Research Associate                        |
| 31. | Ms. Shrabani Mukherjee  | Junior. Project Associate (relieved on 31/10/05) |
| 32. | Mr. Debdulal Thakur     | Junior Project Associate (relieved on 2/11/05)   |
| 33. | Mr. Ashwini Kumar Swain | Junior Project Associate                         |
| 34. | Mr. Saswata Chaudhury   | Junior. Project Associate (relieved on 31/1/06)  |
| 35. | Mr. Narendra Jena       | Junior Project Associate (joined on 21/9/05)     |
| 36. | Mr. Sandip Kumar Biswal | Junior Project Associate (joined on 26/12/05)    |
| 37. | Ms. Sweta Singh         | Junior Project Associate (joined on 16/3/06)     |
| 38. | Mr. Prem Kumar          | Junior Project Associate (joined on 22/7/05)     |
| 39. | Mr. Ritwick Ghosh       | Summer Trainee (relieved on 30/6/05)             |
| 40. | Mr. Manik Chawla        | Summer Trainee (relieved on 15/7/05)             |
| 41. | Ms. Sasha Vyas          | Summer Trainee (relieved on 15/7/05)             |
| 42. | Mr. Satadru Mukherjee   | Summer Trainee (relieved on 15/7/05)             |
| 43. | Ms. Sagarika            | Project Associate (relieved on 2/8/05)           |

44. Ms. Anuradha
45. Ms. Kavita
46. Mr. Yugank Goyal

Library Trainee(relieved on 13/1/06)  
Library trainee(relieved on 17/1/06)  
Intern (relieved on 30/12/05)

#### **LIBRARY**

1. Ms. Azad Kaur

Library Assistant

#### **ADMINISTRATION**

1. Ms. Usha Mathur
2. Ms. Rekha
3. Ms. Amita Padhwal
4. Ms. Sushma Malhotra
5. Mr. Jivesh Kumar

Steno-typist  
Steno-typist (resigned on 9.5.05)  
Steno-typist  
Steno-typist  
Assistant [Accounts]

## ANNEXURE-VII

### LIST OF SPONSORING, CORPORATE, PERMANENT AND ORDINARY MEMBERS AS ON 31.3.2006

#### A. SPONSORING MEMBERS

##### States

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

##### OTHERS

1. Associated Chamber of Commerce and Industry of India
2. Federation of Indian Chamber 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. 20<sup>th</sup> 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, 2006 and also the Income and Expenses Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Institute. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Institute so far as appears from our examination of the books;
- (iii) The Statement of Financial Position and the Income and Expenses Statement dealt with by this report are in agreement with the books of account;
- (iv) The Statement of Financial Position and Income & Expenses Statement dealt with by this report are prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India.
- (v) In our opinion and to the best of our information and according to the explanations given to us, the said statements give a true and fair view :
  - a) in the case of Statement of Financial Position of the state of affairs of the Institute as on March 31, 2006 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

*sdl/-*

(Krishna Kumar Singh)  
Partner

Place : New Delhi

Date : August 23, 2006



## STATEMENT OF FINANCIAL POSITION AS ON MARCH 31, 2006

Particulars	Schedule #	As On 31-Mar-06 Rs.	As On 31-Mar-05 Rs.
<b>SOURCES</b>			
Capital Assets Fund	<b>1</b>	66,654,614	66,654,614
Endowment Funds	<b>2</b>	41,896,593	41,896,593
Earmarked Funds	<b>3</b>	49,102,075	44,590,827
Unutilised Grants (Restricted Funds)	<b>4</b>	6,493,787	4,764,812
General Reserve		10,000,000	-
Surplus Brought forward from Income and Expenditure A/c		1,033,132	1,973,690
<b>TOTAL</b>		<u>175,180,201</u>	<u>159,880,536</u>
<b>APPLICATIONS</b>			
Fixed Assets	<b>5</b>	73,548,973	70,132,841
Investment of Endowment and Other Funds	<b>6</b>	82,121,170	77,556,990
Net Current Assets	<b>7</b>	19,510,058	12,190,705
<b>TOTAL</b>		<u>175,180,201</u>	<u>159,880,536</u>
Notes on Accounts	<b>18</b>		

Schedules 1 to 18 form integral part of this Statement

(S. D. Mudliar)  
Senior Accounts Officer

( L.Gurumurthy )  
Secretary

(M. Govinda Rao)  
Director

(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 23, 2006

## INCOME AND EXPENSES STATEMENT FOR THE YEAR ENDED MARCH 31, 2006

Particulars	Schedule #	Year Ended 31-Mar-06 Rs.	Year Ended 31-Mar-05 Rs.
<b>INCOME</b>			
Grants - General Support			
Central Government	8	20,150,000	18,284,355
State Governments	9	1,013,000	965,000
Earmarked Funds Availed	10	3,339,716	2,302,662
Restricted Funds Availed	11	4,179,229	1,771,419
Project Fees		18,673,063	32,859,624
Course and Programme Fees		10,863,203	4,626,251
Sale of Publications		33,125	63,154
Corporate Membership Fees		10,000	40,000
Interest		2,850,144	2,060,898
Other Receipts		2,971,411	3,140,658
Income on Disposal of Fixed Assets		25,215	38,850
<b>TOTAL</b>		<b>64,108,106</b>	<b>66,152,871</b>
<b>EXPENSES</b>			
Salaries and Allowances	12	22,893,450	20,991,260
Operational Expenses	13	13,117,952	19,420,750
Administrative Expenses	14	6,915,033	6,454,922
Earmarked Funds Utilised	15	3,339,716	2,302,662
Restricted Funds Utilised	16	4,810,170	1,771,419
		51,076,321	50,941,013
Depreciation for the year		2,314,750	1,571,458
<b>TOTAL</b>		<b>53,391,071</b>	<b>52,512,471</b>

Surplus / (Deficit) before Prior Period and Exceptional Items		10,717,035	13,640,400
Prior Period and Exceptional Items	<b>17</b>	<u>157,593</u>	<u>2,117,186</u>
Surplus / (Deficit) for the year		10,559,442	11,523,214
Surplus / (Deficit) for the Previous Years		<u>1,973,690</u>	<u>(9,549,524)</u>
Surplus available for appropriation		12,533,132	1,973,690
Transfer to General Reserve		10,000,000	-
Transfer to Additional Liability Fund		1,500,000	-
		<u></u>	<u></u>
Surplus carried forward to Balance Sheet		1,033,132	1,973,690
Notes on Accounts	<b>18</b>		

Schedules 1 to 18 form integral part of this Statement

(S. D. Mudliar)  
Senior Accounts Officer

(L.Gurumurthy)  
Secretary

(M. Govinda Rao)  
Director

(C. Rangarajan)  
Chairman

As per our report of even date

for Ajay K. Sud & Associates  
Chartered Accountants

(Krishna Kumar Singh)  
Partner

Place : New Delhi

Dated : August 23, 2006

	As On 31-Mar-06 Rs.	As On 31-Mar-05 Rs.
<b>Schedule - 1</b>		
<b>CAPITAL ASSETS FUND</b>		
Balance at the beginning of the year	66,654,614	67,220,206
Less : Transfer to Depreciation Fund	-	565,592
<b>TOTAL</b>	<u>66,654,614</u>	<u>66,654,614</u>

	As On 31-Mar-06 Rs.	As On 31-Mar-05 Rs.
<b>Schedule - 2</b>		
<b>ENDOWMENT FUNDS</b>		
a. Initial Endowment Fund	3,915,000	3,915,000
b. Ford Foundation Endowment Fund	6,177,924	6,177,924
c. Government Endowment Fund	10,000,000	10,000,000
d. RBI Endowment Fund	15,000,000	15,000,000
e. Scientific Research Fund	727,406	727,406
f. Life Membership Fund	420,000	420,000
g. Bimla Bagchi Award Fund	50,000	50,000
h. Additional Liability Fund	5,576,963	5,576,963
i. Jokhan Maurya Award Fund	29,300	29,300
<b>TOTAL</b>	<b>41,896,593</b>	<b>41,896,593</b>

	As On 31-Mar-06		As On 31-Mar-05	
	Rs.	Rs.	Rs.	Rs.
<b>Schedule - 3</b>				
<b>EARMARKED FUNDS</b>				
<b>1. Depreciation Fund</b>				
Balance at the beginning of the year	34,444,134		32,614,539	
Add: Depreciation for the year	2,314,750		1,571,458	
Add: Transfer from Capital Assets Fund	-		565,592	
	36,758,884		34,751,589	
Less: Depreciation written back on assets disposed off	111,172		307,455	
		36,647,712		34,444,134
<b>2. a. Ford Foundation Fund (Interest Accumulation)</b>				
Balance at the beginning of the year	7,387,283		4,723,575	
Add: Appreciation in value of investment	245,520		-	
Add: Interest earned during the year	1,225,216		3,104,101	
	8,858,019		7,827,676	
Less: Expenditure during the year	1,401,268		440,393	
		7,456,751		7,387,283
<b>b. Interest on Initial Endowment Fund (Interest Accumulation)</b>				
Balance at the beginning of the year	375,666		38,886	
Add: Interest earned during the year	330,185		336,780	
	705,851		375,666	
		705,851		375,666
<b>c. Interest on Scientific Research Fund (Interest Accumulation)</b>				
Balance at the beginning of the year	152,965		78,792	
Add: Interest earned during the year	64,663		74,173	
	217,628		152,965	
		217,628		152,965
<b>d. Interest on Life Membership Fund (Interest Accumulation)</b>				
Balance at the beginning of the year	124,421		67,144	
Add: Interest earned during the year	50,499		57,277	
	174,920		124,421	
		174,920		124,421
<b>e. Government Endowment Fund (Interest Accumulation)</b>				
Balance at the beginning of the year	-		94,480	
Add: Interest earned during the year	777,068		846,718	
	777,068		941,198	
Less: Expenditure during the year	777,068		941,198	
		-		-



<b>f. Interest on Additional Liability Fund (Interest Accumulation)</b>				
Balance at the beginning of the year	712,900		712,900	
Add: Appropriation from Surplus	<u>1,500,000</u>		<u>-</u>	
		2,212,900		712,900
<b>g. Bimla Bagchi Award (Interest Accumulation)</b>				
Balance at the beginning of the year	22,314		18,010	
Add: Interest earned during the year	<u>3,691</u>		<u>4,304</u>	
	26,005		22,314	
	<u>-</u>		<u>-</u>	
		26,005		22,314
<b>h. Jokhan Maurya Award Fund (Interest Accumulation)</b>				
Balance at the beginning of the year	8,538		6,660	
Add: Interest earned during the year	<u>2,000</u>		<u>1,878</u>	
	10,538		8,538	
	<u>-</u>		<u>-</u>	
		10,538		8,538
<b>i. RBI Endowment Fund (Interest Accumulation)</b>				
Balance at the beginning of the year	1,362,607		1,114,665	
Add: Transfer of advance from RBI	300,000		-	
Add: Interest earned during the year	<u>1,148,543</u>		<u>1,169,013</u>	
	2,811,150		2,283,678	
Less: Expenditure during the year	<u>1,161,380</u>		<u>921,071</u>	
		1,649,770		1,362,607
<b>TOTAL</b>		<u>49,102,075</u>		<u>44,590,828</u>

Schedule - 4	UNUTILISED GRANTS/ RESTRICTED FUNDS												
	As On 01-Apr-05		Fresh Receipts / Interest	Total	Assets			Utilisation			Total	As On 31-Mar-06	
	Unutilised Recoverable				Purchased	Other Expenses	Refund / Written Off	Unutilised Recoverable					
	Rs.	Rs.						Rs.	Rs.	Rs.		Rs.	
A. Grants from Central Government													
Recurring Grant	-	-	1,500,000	1,500,000	-	1,500,000	-	1,500,000	-	1,500,000	-	-	-
Pay Grant	1,265,645	-	17,150,000	18,415,645	-	17,150,000	1,265,645	18,415,645	-	-	-	-	-
Ministry of Finance-Tax Research Cell	-	-	1,500,000	1,500,000	-	1,500,000	-	1,500,000	-	1,500,000	-	-	-
TOTAL (A)	1,265,645	-	20,150,000	21,415,645	-	20,150,000	1,265,645	21,415,645	-	-	-	-	-
B. Chairs / Cells / Other Grants													
World Bank - Water Global	869,059	-	-	869,059	-	-	869,059	869,059	-	-	-	-	-
UNDP	951,316	-	72,409	1,023,725	-	-	-	-	-	-	1,023,725	-	-
CIDA - Poverty Reduction	294,795	-	-	294,795	-	-	-	-	-	-	294,795	-	-
World Bank - Jaipur Course	-	118,968	-	(118,968)	-	-	-	-	-	-	-	118,968	-
WRI - Electricity Governance	-	-	113,433	113,433	-	244,681	-	244,681	-	244,681	-	131,248	-
Cell on Data Bank	40,497	-	-	40,497	-	-	-	-	-	-	40,497	-	-
State Finance Cell	155,099	-	-	155,099	-	-	-	-	-	-	155,099	-	-
RBI Chair	-	204,515	196,847	196,847	-	-	7,668	7,668	-	-	-	-	-
IDFC Chair	847,478	-	1,000,000	1,847,478	-	1,178,138	-	1,178,138	-	1,178,138	669,340	-	-
ADB Grant	94,634	-	650,000	744,634	-	915,531	-	915,531	-	915,531	170,897	5,443	-
Planning Commission - State Finances	-	5,443	-	(5,443)	-	-	-	-	-	-	-	-	-
SANEI, Pakistan-Cost of Urban Infrastructure.	-	-	309,387	309,387	-	873,674	-	873,674	-	873,674	564,287	-	-
UNDP-Rural Decentralisation and	-	-	4,275,812	4,275,812	-	98,146	-	98,146	-	98,146	4,177,666	-	-
Participatory for poverty reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
Sri Ratan Tata Trust	246,289	-	-	246,289	-	113,624	-	113,624	-	113,624	132,665	-	-
TOTAL (B)	3,499,167	328,926	6,617,888	9,992,644	-	3,423,794	876,727	43,005,21	6,493,787	990,843	-	-	-
GRAND TOTAL (A+B)	4,764,812	328,926	26,767,888	31,408,289	-	23,573,794	2,142,372	25,716,166	6,493,787	990,843	-	-	-

	Gross Block (at cost)				Depreciation				Written Down Value			
	As On	Additions	Sales /	As On	Upto	For the	Sales /	Upto	As On	As On		
	01-Apr-05	Rs.	Rs.	31-Mar-06	01-Apr-05	Year	Rs.	Rs.	31-Mar-06	31-Mar-06	31-Mar-05	
	Rs.			Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	
Schedule - 5												
FIXED ASSETS												
1. Leasehold Land	18,197,718	-	-	18,197,718	-	-	-	-	18,197,718	-	18,197,718	
2. Building	20,145,840	-	-	20,145,840	5,289,525	371,408	-	5,660,933	14,484,907	-	14,856,315	
3. Data Processing Equipment	13,685,073	1,228,739	-	14,913,812	12,506,981	827,569	-	13,334,550	1,579,262	-	1,178,092	
4. Office Equipment	4,161,016	45,999	-	4,207,015	4,121,625	35,516	-	4,157,141	49,874	-	39,391	
5. Furniture and Fixtures	2,330,465	6,404	111,172	2,225,697	2,274,727	26,534	111,172	2,190,089	35,608	-	55,738	
6. Hostel, Library, Computer & Seminar Room Furniture	3,641,038	-	-	3,641,038	3,641,038	-	-	3,641,038	-	-	-	
7. Air Conditioner and Water Coolers	3,795,490	54,702	-	3,850,192	3,711,271	65,177	-	3,776,448	73,744	-	84,219	
8. Electric Installations	3,180,293	32,740	-	3,213,033	2,258,976	449,154	-	2,708,130	504,903	-	921,317	
9. Vehicles	901,981	-	-	901,981	559,248	171,367	-	730,615	171,366	-	342,733	
10. Horticulture Equipment	93,927	-	-	93,927	80,742	6,592	-	87,334	6,593	-	13,185	
SUB TOTAL	70,132,841	1,368,584	111,172	71,390,253	34,444,133	1,953,317	111,172	36,286,278	35,103,975	-	35,688,708	
FIXED ASSETS ACQUIRED OUT OF FOREIGN CONTRIBUTION FUNDS												
1. Data Processing Equipment	-	9,880	-	9,880	-	3,293	-	3,293	6,587	-	-	
2. Furniture and Fixtures	-	1,523,860	-	1,523,860	-	253,977	-	253,977	1,269,883	-	-	
3. Horticulture Equipment	-	624,980	-	624,980	-	104,163	-	104,163	520,817	-	-	
SUB TOTAL	-	2,158,720	-	2,158,720	-	361,433	-	361,433	1,797,287	-	-	
TOTAL	70,132,841	3,527,304	111,172	73,548,973	34,444,133	2,314,750	111,172	36,647,711	36,901,262	-	35,688,708	
PREVIOUS YEAR	67,220,204	3,220,092	307,455	70,132,841	33,180,131	1,571,458	307,455	34,444,134	35,688,707	-	34,040,073	

	As On 31-Mar-06 Rs.	As On 31-Mar-05 Rs.
<b>Schedule - 6</b>		
<b>INVESTMENT OF ENDOWMENT AND OTHER FUNDS</b>		
A. Public Sector Banks		
Term Deposits	2,500,000	10,926,340
B. Public Sector Financial Institutions		
Bonds / Debentures	71,601,170	51,405,650
C. Public Sector Companies - Deposits	8,020,000	15,225,000
<b>TOTAL</b>	<b>82,121,170</b>	<b>77,556,990</b>

	As On 31-Mar-06		As On 31-Mar-05	
	Rs.	Rs.	Rs.	Rs.
<b>Schedule - 7</b>				
<b>NET CURRENT ASSETS</b>				
<b>A. CURRENT ASSETS</b>				
1. Interest Accrued		1,737,244		1,726,831
2. Tax Deducted at Source		1,016,913		1,195,951
3. Stock of Publications		231,997		222,620
4. Cash and Bank Balances				
Cash and Postage Imprest	12,181		8,835	
Cheques in Hand	4,662,500		4,625,000	
In Scheduled Banks				
Current and Savings Accounts	6,900,883		2,492,707	
		11,575,564		7,126,542
5. Recoverables				
Project Fees Accrued	4,670,700		8,803,450	
Fees and Others (Sch. 4)	990,843		328,926	
Grant, Course and Programme Fees	775,034		191,600	
		6,436,577		9,323,976
6. Debtors, Advances and Deposits		11,277,908		11,167,440
Total (A)		32,276,203		30,763,360
<b>B. CURRENT LIABILITIES</b>				
1. Project Fees received in advance		7,458,160		9,929,839
2. Received in advance from RBI		-		300,000
3. Creditors and Payables		4,965,092		7,969,923
4. Refundable Deposits		342,893		372,893
Total (B)		12,766,145		18,572,655
<b>NET CURRENT ASSETS (A-B)</b>		19,510,058		12,190,705

	Year Ended 31-Mar-06 Rs.	Year Ended 31-Mar-05 Rs.
<b>Schedule - 8</b>		
<b>GRANTS FROM CENTRAL GOVERNMENT</b>		
Recurring Grant	1,500,000	1,500,000
Pay Grant	17,150,000	16,784,355
Ministry of Finance-Tax Research Cell	1,500,000	-
<b>TOTAL</b>	<b>20,150,000</b>	<b>18,284,355</b>

#### Schedule - 9

#### 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	150,000	150,000
Government of Nagaland	78,000	80,000
Government of Mizoram	50,000	50,000
<b>TOTAL</b>	<b>1,013,000</b>	<b>965,000</b>

#### Schedule - 10

#### EARMARKED FUNDS AVAILED

Govt. Endowment Fund	777,068	941,198
Ford Foundation Fund	1,401,268	440,393
RBI Endowment Fund	1,161,380	921,071
<b>TOTAL</b>	<b>3,339,716</b>	<b>2,302,662</b>



	Year Ended 31-Mar-06 Rs.	Year Ended 31-Mar-05 Rs.
<b>Schedule - 11</b>		
<b>RESTRICTED FUNDS AVAILABLE</b>		
World Bank - Water Global	869,059	-
Planning Commission - State Finances	-	205,443
IDFC Chair	1,178,138	786,699
ADB Grant	915,531	655,366
Sir Ratan Tata Trust	-	123,911
WRI - Electricity Governace	244,681	-
SANEI, Pakistan-Cost of Urban Infrastructure	873,674	-
UNDP-Rural Decentralisation and Participatory for poverty reduction	98,146	-
<b>TOTAL</b>	<b>4,179,229</b>	<b>1,771,419</b>

**Schedule - 12**

**SALARIES AND ALLOWANCES**

Salaries and Allowances	18,547,787	17,082,244
Contribution to PF and Other Funds	2,604,783	2,789,470
Staff Benefits and Welfare	1,633,294	1,017,338
EDLI & Admin. Charges	107,586	102,208
<b>TOTAL</b>	<b>22,893,450</b>	<b>20,991,260</b>

	Year Ended 31-Mar-06 Rs.	Year Ended 31-Mar-05 Rs.
<b>Schedule - 13</b>		
<b>OPERATIONAL EXPENSES</b>		
Books and Periodicals	1,567,667	2,599,682
Cost of Publications	232,633	230,501
Course and Programme Expenses	5,619,317	5,072,394
Meeting and Seminar	34,766	58,399
Project Expenses (Other than Sponsored)	5,663,569	11,459,774
<b>TOTAL</b>	<b>13,117,952</b>	<b>19,420,750</b>

**Schedule - 14**

<b>ADMINISTRATIVE EXPENSES</b>		
Travelling and Conveyance	570,427	557,835
Rates and Taxes	483,879	321,103
Water and Electricity	1,467,984	1,617,122
Printing and Stationery	492,673	563,313
Telephone and Postage	841,173	997,931
Repairs and Maintenance	1,974,641	1,362,104
Car Expenses	167,577	164,694
Audit Fees	38,570	33,060
Miscellaneous Expenses	282,604	377,325
Legal Expenses	345,385	285,285
Advertisement Expenses	130,120	115,150
Expenses on 25th Anniversary	120,000	60,000
<b>TOTAL</b>	<b>6,915,033</b>	<b>6,454,922</b>

	Year Ended 31-Mar-06 Rs.	Year Ended 31-Mar-05 Rs.
<b>Schedule - 15</b>		
<b>EARMARKED FUNDS UTILISED</b>		
Govt. Endowment Fund (Intt. Acu) Utilised for Repair	777,068	941,198
Ford Foundation Fund (Intt. Acu) Utilised for Lib.Developm.	1,401,268	440,393
RBI Endowment Fund (Intt. Acu.) Utilised for RBI Chair	1,161,380	921,071
<b>TOTAL</b>	<b>3,339,716</b>	<b>2,302,662</b>

### Schedule - 16

#### RESTRICTED FUNDS UTILISED

Planning Commission - State Finances	-	205,443.00
IDFC Chair	1,178,138.00	786,699.00
ADB Grant	915,531.00	655,366.00
Sir Ratan Tata Trust	-	123,911.00
Ministry of Finance-Tax Research Cell	1,500,000.00	-
WRI - Electricity Governace	244,681.00	-
SANEI, Pakistan-Cost of Urban Infrastructure	873,674.00	-
UNDP-Rural Decentralisation and Participatory for poverty reduction	98,146.00	-
<b>TOTAL</b>	<b>4,810,170.00</b>	<b>1,771,419.00</b>

### Schedule - 17

#### PRIOR PERIOD & EXCEPTIONAL ITEMS

Accrued Project Fees Written Off	133,100.00	900,000.00
Travelling and Conveyance	(3,830.00)	70,829.00
Liability for Rates and Taxes Written Off	-	(21,414.00)
Repairs and Maintenance	-	61,857.00
Course and Programme Expenses	-	15,000.00
Other Recoverables Written Off	7,668.00	331,218.00
Retention for Defect - Liability Written Off	-	(109,758.00)
Shortfall in Interest - NIPFP PF Trust	-	869,454.00
Cost of Publication	(1,000.00)	-
Advertisement Cost	4,500.00	-
Salaries and Allowances	17,155.00	-
<b>TOTAL</b>	<b>157,593.00</b>	<b>2,117,186.00</b>

## ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### A. Accounting Policies

1. Accounts are drawn up generally on accrual basis unless otherwise stated. Corporate Membership Fees are accounted on cash basis.
2. Endowment Funds reflect grants received from various organisations for specific purposes. Interest accrued on Endowment Funds is used for specific purposes. Balance of un-utilised interest on Endowment Funds is kept in respective earmarked funds.
3. The Capital Assets Fund has been generated largely out of grants received from various organisations 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. Amounts written off as depreciation are funded instead of being shown as deduction from gross value of assets.
7. Long term investments are stated at cost less permanent diminution in the value of investments.
8. Provident Fund and Gratuity Liability are being funded by means of contribution to separate Trust. Provision for Gratuity is made on actuarial basis. However, no such provision is made for Leave Encashment.
9. Books and Periodicals are charged off to revenue in the year of expenditure.
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.

### B. 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. Short fall in interest if any in the NIPFP P.F. trust has not been provided for the year 2005 - 06
2. Leasehold land includes land premia 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. Additional Liability Fund has been created out of the Project Income to meet ten percent of the additional liability arising on account of pay revision following the recommendations of the Fifth Pay Commission. During the year under review ten percent of the additional liability amounts to Rs.11,65,662/- and has been paid out of the project income of the year under review. Rs.15,00,000 has also been apportioned from surplus of 2005-06 for the additional liability fund.
  4. Account balance under sundry debtors, advances, project fees receivables, sundry creditors and gratuity payable are subject to confirmation, reconciliation and consequential adjustments.
  5. Debtors, Advances and Deposits of Rs. 1,12,77,908/- includes Rs. 1,07,22,121/- paid as advance to NIPFP PF Trust.
  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 18.

sd/-	sd/-	sd/-	sd/-
(S. D. Mudliar)	(L. Gurumurthy)	(M. Govinda Rao)	(C. Rangarajan)
Senior Accounts Officer	Secretary	Director	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 23, 2006**



Course on Public Finance for in-service probationers of IA& AS, Jan, 30– Feb 17, 2006



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