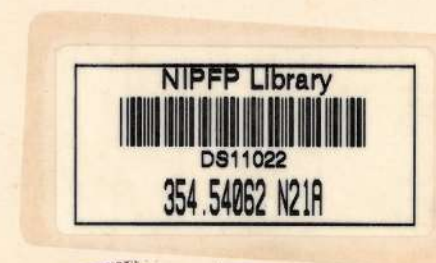


REFERENCE BOOK.

ANNUAL REPORT

For the year 1979-80

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**NATIONAL INSTITUTE OF PUBLIC
FINANCE AND POLICY**

12 RAJENDRA PLACE NEW DELHI 110 008

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REPORT OF THE GOVERNING BODY OF THE NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY FOR THE FINANCIAL YEAR 1979-80

Introduction

The year 1979-80 is the fourth year of operation of the Institute. During this year, the Institute made considerable progress in its research programmes and consultancy services. In continuation of the training programmes which were started in the previous year, two workshops and one advanced training course were conducted during this year.

As on March 31, 1980, the Institute had on its rolls 17 professional staff members including the Director. In addition, there were four temporary Research Investigators attached to various projects. The list of faculty members other than temporary Research Investigators is given in Annexure I. During the year three of our staff members, namely, Dr. M. C. Purohit, Fellow, Dr. Shyam Nath, Senior Economist and Shri P. K. Aggarwal, Economist were sent to different Universities in the U. S. A. under the Ford Foundation Grant for specialised training in the field of public finance. They are receiving advanced training at the Universities of California (Berkeley), Syracuse and Harvard, respectively. After completion of training they would be returning at different times during the year 1980-81.*

In the annual report for the year 1978-79 it had been mentioned that Dr. A. Bagchi, Director, Fiscal Policy Section, Ministry of Finance, had been offered the RBI chair in the Institute and that he was expected to join duty sometime in September 1979. However, owing to exigencies of official work and other causes, Dr. Bagchi could not join us during the year. In consultation with the Chairman, he was permitted to join duty by the end of May 1980.** Our professional staff on the direct taxes side was strengthened by the appointment in June 1979 of Shri K. Srinivasan, formerly a Member of the Central Board of Direct Taxes, as Senior Consultant. Shri J. S. Kapoor who came to us on deputation from the Income Tax Department continues to work with us as Senior Tax Analyst.

Research Activities

It had been stated in the annual report for the year 1978-79 that the World Bank had sponsored a project on the measurement of comparative tax effort by the Indian States.

*Shri P. K. Aggarwal returned on June 11, 1980.

**Dr. A. Bagchi joined duty on June 3, 1980.

This project which covered 15 States and all the major taxes levied by them and which made use of the Representative Tax System Approach, was completed during the current year. The World Bank approved of the report and gave permission to the Institute to publish it.

Another project started during the previous year, namely "The Growth and Composition of Central Government Expenditure", was submitted to the Planning Commission for sponsorship. The Planning Commission, while agreeing to sponsor the project, desired that the composition of government expenditure of at least one of the State governments should also be taken up for study. This was agreed to and Gujarat state was selected for the case study. We are glad to report that we have received the co-operation of the office of the Directorate General of Supply and Disposal, who have made available some useful data on the commodity composition of the Central Government expenditure.

A project on Resource Mobilisation in the Private Corporate Sector was sponsored by the Associated Chambers of Commerce and Industry of India in June 1979. The objective of the study was to identify the major trends in resource mobilisation by the private corporate sector and to examine the impact of major Governmental policies on the growth and composition of the resources mobilised. For this purpose, 15-year data for a sample of 99 manufacturing companies in the private corporate sector were specially collected. On the basis of these data an attempt was made, employing econometric techniques, to measure the impact of selected fiscal and monetary instruments of policy. The study was completed by the end of March, 1980. The titles of projects already completed, on-going projects and projects proposed to be undertaken by the Institute are given in Annexure II.

Work for the State Governments

As during the previous year, during the current year also, the staff of the Institute have been fairly busy with the assignments on behalf of State Governments. It was mentioned in the report for the year 1978-79 that a draft report on the Rationalisation of the Sales Tax System in Bihar had been submitted to the Commissioner of Commercial Taxes in that State. In the light of the comments received, the final report was submitted during the current year. The Government of Bihar have given us permission to publish the report.

The Institute continued to do background research work in connection with the studies undertaken by the Gujarat Taxation Enquiry Commission and the Uttar Pradesh Taxation Enquiry Committee which had been set up under the Chairmanship of the Director of the Institute, Dr. R. J. Chelliah. Among the important pieces of work undertaken on behalf of the Gujarat Taxation Enquiry Commission may be mentioned a detailed study on 'Incidence of State Taxes in Gujarat'.

Training Programmes

The Institute had conducted a workshop for State government officials on the 'Techniques of Budgetary Projections' in February 1979 under the sponsorship of the Department of



Mr. M. Ramachandran, Additional Secretary, Ministry of Finance, Department of Revenue, delivering the Valedictory Address at the Advanced Course in Sales Tax Administration in India organised by the Institute, (October 29 to November 19, 1979)

Personnel and Administrative Reforms, Ministry of Home Affairs. At their request, a second workshop on the Techniques of Budgetary Projections was held in Bangalore in 1979 for the officials of the Western and Southern States. Besides, at the request of the State Planning Institute, Government of Uttar Pradesh, a workshop on the same subject was held in Lucknow in January 1980 for the officials of the State Government.

The Institute made a new beginning in imparting training to tax officials by conducting an Advanced Course in Sales Tax Administration in India for officials of the State governments in the Eastern Zone. This course was conducted at the instance of the Eastern Zonal Council for Excises and Sales Taxes and the Department of Revenue, Ministry of Finance. As many as 19 officials attended the course which was held from October 29 to November 19, 1979.

Visiting Professors

Professor I. S. Gulati continues to be a visiting professor to the Institute. He visited the Institute twice during the year and participated in our research activities. An important step towards regional co-operation was taken with the arrival of Prof. Taherul Islam, Head of the Department of Economics, University of Dacca, Bangladesh, as a visiting professor under a fellowship given by ADIPA. (The fellowship money was derived by ADIPA from U. N. sources.) Professor T. Islam stayed with us for three months from the beginning of March 1980. During his stay he conducted two seminars and prepared a paper on the Remittance Scheme in Bangladesh, which would soon be brought out as a working paper of the Institute.

Exchange of Scholars and Collaborative Research

Dr. Larry Schroeder, Associate Professor, Syracuse University, U. S. A., came to the Institute as a visiting scholar to conduct collaborative research on 'Urban Property Taxation.' He stayed with us for about three weeks in May 1979. Professor S. P. Gupta of Sambalpur University, a specialist in public finance, came to the Institute for a month in June 1979 as a visiting professor and worked with our staff members on 'Techniques of Forecasting Government Expenditure'. The expenses connected with the visits of these two scholars were financed out of the Ford Foundation grant earmarked for collaborative research.

Seminars

The programme of seminars given by visiting scholars and the Institute's own staff was continued. The details of the regular seminars conducted during the year are presented in Annexure III. One of the highlights of the programme during the year was the seminar given on 'Fiscal Equalisation in Australia' by Dr. R. L. Mathews, Director, Centre for Research on Federal Financial Relations, Australian National University, Canberra, in September 1979. Prof. T. Islam gave two seminars, the details of which are given in the Annexure.

Computer

In the year 1977, the Institute had acquired Microsystem 1121 from DCM Data Products. While that machine could be used for running regressions, it was quite inefficient in that it had no memory and the data had to be punched in repeatedly. With the increase in work that the Institute had to undertake for the Central Government Departments and the State governments, it was found necessary to acquire a small computer. After discussions with the Deputy Director of the Government Computer Centre in New Delhi and with the approval of the Finance Sub-Committee, a mini computer manufactured by DCM Data Products, namely, SPECTRUM 7 was acquired in July 1979. This computer is very efficient and enables us not merely to carry out various kinds of statistical manipulations but also to store public finance data. The computer system that we have acquired is capable of being expanded for greater manoeuvrability and for larger storage capacity.

Library

During the year nearly 1000 volume of books, reports and other publications were added to the holdings of the Library. As of now, 73 periodicals including, loose leaf series are being received. The list of journals received in the library is given in Annexure IV. Persistent efforts are being made to maintain and expand our activities in getting books from prominent institutions from abroad. Our total holdings of books and reports now amount to 3000 volumes.

During the year, a photocopying machine was acquired and installed in the library. This machine is mainly used for copying articles and documents needed for research projects.

Lectures by Staff Members

Several of our faculty members were invited to give lectures at seminars and courses organised by other Institutions. Among them may be mentioned the Institute of Secretariat Training and Management, Department of Personnel, Ministry of Home Affairs, the Management Development Institute, Delhi, National Defence College, Delhi, the Delhi Management Association and M. S. University, Baroda. Details about the lectures given are presented in Annexure V.

Publication of Articles by Individual Staff Members

During the year, several staff members contributed articles and research papers to journals and newspapers. Some working papers were also prepared. A list of papers and articles brought out during the year is given in Annexure VI.

Dr. R. J. Chelliah submitted a paper on Planning and Fiscal Federalism in India to an Indo-Soviet Seminar held in Moscow sometime in May 1979. He submitted another paper on 'Fiscal Policy and Regional Disparities in India' to a seminar on the subject held under

the auspices of International Seminar in Public Economics, in Toledo, Spain in September 1979.

ADIPA Project

The Institute is a member of the regional research association called ADIPA (Association of Development Research and Training Institutes of Asia and the Pacific). The Director of the Institute attended the fourth Biennial Conference of ADIPA held in Seoul in October 1979. At this seminar various research projects on which the several institutes could collaborate was discussed. On behalf of the Institute, the Director proposed a project on 'Resource Mobilisation through the Tax System - a Study of Asian Experience'. We are glad to report that our Institute was chosen as the lead Institute and was asked to organise the entire project. Eight countries in the region, besides India, namely, Bangladesh, Hong Kong, Indonesia, Japan, Nepal, Philippines, South Korea and Sri Lanka are participating in the project. Representative of participating institutions from these countries, (excluding Japan) attended a project development meeting in April 1980. At this meeting, a common framework of study and analysis for the project was developed. The project will gather speed after sufficient funds are obtained.

Corporate Membership

During the year, one more nationalised bank, namely, Bank of Baroda, became an ordinary corporate member. As on 31-3-1980, the Institute has 15 Sponsoring Corporate, 5 Life Corporate and 19 Ordinary members. Efforts will now be made to enlist major Municipal Corporations as our Corporate members. The list of members is given in Annexure VII.

Composition of the Governing Body

Certain changes have taken place in the composition of the Governing Body during the year. Shri S. S. Puri became an ex-officio member on our Governing Body after taking over charge from Shri Ajit Mzoomdar, as Secretary, Planning Commission. Shri Hari Shankar Singhania, represented the Federation of Indian Chambers of Commerce and Industry and Shri A. L. Mudaliar, represented the Associated Chambers of Commerce and Industry of India on the Governing Body. A list of the Governing Body Members as on 31 March 1980 is given in Annexure VIII.

Building for the Institute

The concept plans for the Institute's building as prepared by the Architect were approved by the Building Committee at its meeting held on August 30, 1979. The Architect submitted the Plan for the Institute's building to the Delhi Development Authority for their approval. We are happy to report that the plans have since been approved by the Delhi Development Authority and the Urban Arts Commission. The DDA has also allowed the Institute to cover upto 25 per cent of FAR for residential purposes. At present, the Architect

and our Project Consultant (Engineer) are in the process of finalising the tender documents for calling tenders. The construction work is expected to begin shortly.

The construction of the building complex of the Institute is likely to cost around Rs. 43 lakh. The capital grant from the Government of India, assistance from the Ford Foundation and the drawing down of the Endowment Fund would together give us an amount of Rs. 25 lakh. In order to raise the rest of the money, the Director of the Institute has addressed letters to the major State Governments requesting them to contribute Rs. 1 lakh each to our Building Fund. Other members have also been requested to contribute to the building fund.

We are glad to inform that the governments of Andhra Pradesh, Gujarat, Uttar Pradesh, and West Bengal have already agreed in principle to contribute Rs. 1 lakh each to our building fund.

Endowment Fund

During the year, no fresh contribution was received towards the Endowment Fund. On April 1, 1979, the Endowment Fund stood at Rs. 46,50,000. During the current year, an amount of Rs. 1,50,000 which had been drawn down from the Endowment Fund to meet the short-fall in money needed to purchase the land allotted to the Institute was transferred back to the Endowment Fund after the receipt of the Ford Foundation funds. After this transfer, the Endowment Fund was restored to the original level of Rs. 48,00,000.

During the year, a sum of Rs. 24,250 was received from the Associated Chambers of Commerce and Industry of India, through its various members, thereby raising its contribution to Rs. 4,90,000 against the total promised contribution of Rs. 5,00,000. This amount has been placed separately in the Scientific Research Fund.

Ford Foundation Grant

During the year, out of the total non-recurring grant of U. S. \$ 2,00,000 sanctioned by the Ford Foundation, the Institute obtained release of the following amounts.

		Equivalent Indian Rupees
In Rupee Account	: \$ 83300	(Rs. 6,69,096)
In U. S. Dollar Account	: \$ 27500	(Rs. 2,19,037)
Total	: \$ 1,10,800	

As on March 31, 1980, we had spent out of the grant the equivalent of U.S. \$ 1,58,736. The detailed break-up of receipts and utilisation of the grant is given in the Schedule "G" attached to the accounts of the Institute.

For and on behalf of the Governing Body.

Sd/-
(I. Z. Bhatti)
Member

Sd/-
(R. J. Chelliah)
Member-Secretary

Sd/-
(D. T. Lakdawala)
Chairman

Dated : 30th June 1980

ANNEXURE-I

List of Faculty Members

(as on May 1, 1980)

Sl. No.	Name	Qualifications	Designation
1.	R. J. Chelliah	M. A., Ph. D.	Director
2.	V. D. Lall	M. A., Ph. D.	Senior Fellow
3.	K. N. Reddy	M. A., Ph. D.	Senior Fellow
4.	K. Srinivasan	B. A. (Hons)	Senior Consultant
5.	M. C. Purohit	M. A., Ph. D.	Fellow
6.	Shyam Nath	M. A., Ph. D.	Senior Economist
7.	Narain Sinha	M. Sc. M. A., Ph. D.	Senior Economist
8.	M. Govinda Rao	M. A., Ph. D.	Senior Economist
9.	J. S. Kapoor	B. A. (Hons), LL. B.	Senior Tax Analyst
10.	K. K. Atri	M. A.	Econometrician
11.	J. V. M. Sarma	M. A.	Econometrician
12.	Ranjana Ghoshal Madhusudhan	M. A., M. Phil	Economist
13.	Pawan Kumar Aggarwal	M. Sc.	Economist
14.	M. Srinivasa	M. A.	Economist
15.	S. Gopalakrishnan	M. A.	Research Assistant
16.	Vijay Devi	M. A.	Research Assistant
17.	Ajay Kumar Halen	M. A.	Research Assistant

ANNEXURE-II

List of Projects

Projects already completed

1. Trends, Composition and Elasticity of Union Excise and Import Duties
2. Buoyancy and Elasticity of State Indirect Taxes (1960-61 to 1974-75)
3. Incidence of Indirect Taxation in India — 1973-74
4. Impact of Personal Income Tax
5. Trends and Issues in Indian Federal Finance
6. A Survey of Tax System in Assam.
7. Measurement of Tax Effort of State Governments — 1973-76
8. Rationalisation of the Sales Tax System in Bihar
9. Resource Mobilisation in the Corporate Private Sector

On-going Projects

1. Corporate Profits Taxation
2. Central Government Expenditure — A Study of its Growth, Structure and Composition

Projects Proposed to be undertaken

1. Profile on Indian Public Finance
2. Distribution of Public Expenditure Benefits
3. Bihar Entertainment Tax Act, 1948
4. Bihar Electricity Duty Act, 1948
5. Bihar Taxation on Passengers and Goods Act, 1961
6. Evasion of Excise Duties
7. Impact of Several Incentive Provisions under the Income Tax Act

Seminars and Symposia held at the Institute during 1979-80

Speaker	Institutional Affiliation	Date	Topic
Prof. Jonathan-R. Kesselman	University of British Columbia, Visiting Professor, Delhi School of Economics, Delhi University, Delhi	May 10, 1979	Formulating Fiscal Policies to expand Employment in Indian Industry
Dr. Larry Schroeder	Syracuse University, New York, Visiting Professor, NIPFP	May 30, 1979	Expenditure and Revenue Projection: Experiences in American Cities
Prof. S. P. Gupta	Sambalpur University, Visiting Professor, NIPFP	June 30 and July 5, 1979	Theories of Public Expenditure
Prof. R. J. Chelliah	NIPFP	August 21, 1979	The Case for an Expenditure Tax
Dr. H. K. Paranjape	Railway Tariff Enquiry Committee	December 3, 1979	Fiscal Measures to Subsidies Urban Transport
Dr. Tracy Murray	Phillips Petroleum Company, USA	March 18, 1980	North-South Issues in the Multilateral Trade
Dr. K. N. Reddy	NIPFP	April 11, 1980	The Distribution of Benefits of Public Expenditure
Prof. Tehrul Islam	Visiting Professor, NIPFP from Dacca University, Bangladesh	May 17, 1980	Employment Generation in Bangladesh During the First Five Year Plan 1973-78
Dr. Pulin B. Nayak	Delhi School of Economics, Delhi University, Delhi	May 21 & 22, 1980	Optimal Taxation
Prof. Tehrul Islam	Visiting Professor, NIPFP from Dacca University, Bangladesh	May 23, 1980	Educational Planning and Equity in Education in Less Developed Countries

List of Journals being received at the Institute Library

INDIAN

1. Anvesak ($\frac{1}{2}$ Yly)
2. Artha Vijnana (Q)
3. Chartered Accountant (M)
4. Economic and Political Weekly (W)
5. Employment Review (Q)
6. ICSSR Newsletter (Q)
7. Income Tax Reports (W)
8. Indian Dissertation Abstracts (Q)
9. Indian Economic Diary (W)
10. Indian Economic Journal (Q)
11. Indian Economic Review ($\frac{1}{2}$ Yly)
12. Indian Journal of Public Administration (Q)
13. Journal of Abstracts and Reviews: Economics (Q)
14. Journal of Income and Wealth ($\frac{1}{2}$ Yly)
15. Lok Udyog (M)
16. Margin (Q)
17. MDI Quarterly (Q)
18. Monthly Abstract of Statistics (M)
19. Prajnan (Q)
20. Rajasthan Economic Journal ($\frac{1}{2}$ Yly)
21. Reserve Bank of India Bulletin (M)
22. Reserve Bank Staff Occasional Papers ($\frac{1}{2}$ Yly)
23. Revised Index Number of Wholesale Prices in India Base 1970 - 71 = 100 (M)
24. State Bank of India Monthly Review (M)
25. Sankhya (Q)
26. Span (M)
27. Taxman (M)
28. Yojana (F-N)
29. Stock Exchange Official Directory (Weekly Replacement Service)

FOREIGN

30. ADIPA Newsletter ($\frac{1}{2}$ Yly)
31. American Economic Review (Q)
32. British Tax Review (2-M)
33. Brookings Bulletin (Q)
34. Bulletin for International Fiscal Documentation (M)
35. Canadian Journal of Economics (Q)
36. Canadian Tax Journal (2-M)
37. Developing Economies (Q)
38. Economic Impact (Q)

39. Economic Journal (Q)
40. Economist (W)
41. Finance and Development (Q)
42. Finanzarchiv (Q)
43. IMF Staff Papers (4-M)
44. IMF Survey (F-N)
45. International Tax Journal (2-M)
46. Journal of Corporate Taxation (Q)
47. Journal of Economic Literature (Q)
48. Journal of Finance (Q)
49. Journal of Political Economy (2-M)
50. Journal of Public Economics (2-M)
51. Journal of Taxation (M)
52. Kyklos (Q)
53. Manchester School of Economic & Social Studies (Q)
54. National Tax Journal (Q)
55. Oxford Economic Papers (4-M)
56. Public Choice (Q)
57. Public Finance (Q)
58. Public Finance Quarterly (Q)
59. Quarterly Journal of Economics (Q)
60. Review of Economic Studies (Q)
61. Review of Economics & Statistics (Q)
62. Review of Income & Wealth (Q)
63. Scottish Journal of Political Economy (4-M)
64. Tax Planning International (M)
65. African Tax System
66. British Tax Encyclopaedia
67. Corporate Taxation in Latin America
68. Income Taxes Worldwide
69. Tax News Service
70. Taxation of Companies in Europe
71. Taxes and Investment in Asia and the Pacific
72. Taxes and Investment in the Middle East
73. Value Added Taxation in Europe

Frequency Notation

- W : Weekly
 F-N : Fortnightly
 M : Monthly
 2-M : Bi-Monthly
 4-M : Four-Monthly
 Q : Quarterly
 $\frac{1}{2}$ Yly : Half-Yearly

Loose-Leaf
Service

ANNEXURE V

Lectures Delivered by Staff Members

Sl. No.	Name	Designation	Topic	Whom issue addressed	Date
1.	R. J. Chelliah	Director	(1) Approach to the Formulation of Financial Planning	Institute of Secretariat Training and Management, Department of Personnel and Administrative Reforms, Ministry of Home Affairs New Delhi	24.1.1980
			(2) International Financial Banking Institutions and Their Benefits to the Indian Economy	National Defence College, New Delhi	20.2.1980
			(3) Impact of Industrial Policy on the Development Pattern of Indian Economy	Jesus and Mary College, New Delhi	27.2.1980
2.	V. D. Lall	Senior Fellow	(1) Employment Incentives and Corporate Tax Planning and Administration	Delhi Management Association, Delhi	17.10.1979
			(2) Value Added Tax and its Applicability to India	Delhi Management Association, Delhi	23.10.1979
3.	K. N. Reddy	Senior Fellow	Indian Public Finance	Department of Economics, M.S. University, Baroda	14-21st December 1979
4.	K. K. Atri	Econometrician	Techniques of Revenue Projections	Institute of Secretariat Training and Management, Department of Personnel and Administrative Reforms, Ministry of Home Affairs, New Delhi	4.2.1980

Papers Prepared by Staff Members

S. No. (1)	Name and Designation (2)	Topic (3)	Published/read at Seminar or Conference (4)
1.	R. J. Chelliah Director	(1) A case for an Expenditure Tax (2) Review of Report of the Finance Commission (1) Fiscal Reliefs, Corporate Savings and Investment (2) Job Creation, the Part Played by Fiscal Incentives (3) Alternative Corporate Tax Systems, Dividend Policy, Savings, Investment and Allocative Efficiency — Some Theoretical Possibilities	Working Paper (NIPFP) December 1979 published in Economic and Political Weekly, January 26, 1980 Indian Economic Review, April 1979 Margin, October 1979 Business Standard November 22, 23, 1979 Business Standard, Annual 1980
2.	V. D. Lall Senior Fellow		
3.	K. N. Reddy Senior Fellow	The Distribution of Benefits of Public Expenditure	Submitted at the Annual Conference of Indian Association for Research in National Income and Wealth held at Bangalore, January 1980
4.	K. Srinivasan Senior Consultant	(1) The Budget for 1979-80 (2) Tax Holiday Under Section 80J of the Income Tax Act (3) Family Arrangements Under Section 64 of the Income Tax Act (4) Thoughts in Season (Suggestions for amendment of the Direct Tax Acts)	TAXMANN, March 1979 " May 1979 " June 1979 " July 1979

(1)	(2)	(3)	(4)
5.	Shyam Nath Senior Economist	(5) Suggestions for Some Essential Amendments to the Income Tax and Wealth Tax Acts (6) The Case for the Small Company (7) Taxation of Corporate Income and Economic Growth (1) Incidence of Indirect Taxation in Rajasthan (1) Ideological Factors, Political Stability and Tax Revenue Determination (2) Economic and Political Determinants of States Tax Revenues	The Hindu, April 1979 The Chartered Accountant, May 1980 Submitted at the Twelfth All India Seminar on Taxation, (Jaipur) July 1980 Margin, April 1980 Public Finance, 1978 (received in 1979) (Volume XXXIV) No. 1/1979 Economic and Political Weekly, October 1979
6.	M. Govinda Rao Senior Economist	(1) Tax Incentives (2) Aggregation of Taxable Personal Income (3) Taxation of Family Income and Wealth Published in two parts	TAXMANN, February 1980 The Financial Express, April 19 1980 The Financial Express, May 19 1979
7.	J. S. Kapoor Senior Tax Analyst	(1) Measuring Tax Revenue Centralisation in Federal System — A case study of India (1) The Budget, Money-Supply and Inflation (2) A Monetarist Model of Inflation for India	Public Finance 1979 Volume XXXIV No. 3/1979 Working Paper (NIPFP) April 1979 Paper presented at the All India Econometric Conference, May, 1979

ANNEXURE VII

**List of Corporate Sponsoring, Life and Ordinary Members
As on 31-3-1980**

A. Sponsoring Members

States

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

Others

1. Associated Chambers of Commerce and Industry of India
2. Federation of Indian Chambers of Commerce and Industry
3. Industrial Credit and Investment Corporation of India Ltd.

B. Life Members

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

C. Ordinary Members

States/Union Territories

1. Bihar
2. Chandigarh

3. Delhi
4. Haryana
5. Jammu & Kashmir
6. Manipur
7. Pondicherry
8. Sikkim
9. Tripura

D. Public Sector Banks

1. Bank of Baroda
2. Indian Bank
3. Indian Overseas Bank
4. State Bank of India
5. Syndicate Bank

E. Others

1. Air Headquarters
2. Coal India Ltd.
3. Hindustan Lever Ltd.
4. Silk and Art Silk Association
5. Visvesvaraya Centre for Management Studies

ANNEXURE VIII

Members of the Governing Body as on March 31, 1980

- | | |
|---|----------|
| 1. Prof. D.T. Lakdawala
Chairman
NIPFP
No. 5 Lady Northcote
Hindu Orphange
Chowpati Road
Bombay 400007 | Chairman |
| 2. Dr. I.S. Gulati
C/o Centre for Development Studies
Aakulam Road
Ulloor
Trivandrum 695 011 | Member |
| 3. Dr. B.K. Madan
Chairman
Management Development Institute
Jeevan Tara Building
Gate No. 3, First Floor
5, Sansad Marg
New Delhi 110 001 | Member |
| 4. Shri G. Ramachandran
Finance Secretary
Ministry of Finance
Government of India
North Block
New Delhi 110 001 | Member |
| 5. Dr. Manmohan Singh
Secretary
Department of Economic Affairs
Ministry of Finance
North Block
New Delhi 110 001 | Member |
| 6. Shri S.S. Puri
Secretary
Planning Commission
Yojana Bhavan
Sansad Marg
New Delhi 110 001 | Member |

- | | |
|---|--------|
| 7. Dr. V.B. Kadam
Adviser and Officer-in-charge
Economic Department
Reserve Bank of India
Central Office
Bombay 400 001 | Member |
| 8. Shri I.Z. Bhatta
Deputy Director General
National Council of Applied
Economic Research
Parisila Bhavan
11, Indraprastha Estate
New Delhi 110 002 | Member |
| 9. Shri A.L. Mudaliar
President
Associated Chambers of Commerce
and Industry of India
17, Sansad Marg
New Delhi 110 001 | Member |
| 10. Shri Harishankar Singhanian
President
Federation of Indian Chambers of
Commerce and Industry
Tansen Marg
New Delhi 110 002 | Member |
| 11. Shri B.P.R. Vithal
Secretary
Finance and Planning Department
Andhra Pradesh Government
Hyderabad 500 022 | Member |
| 12. Shri M.K. Venkateshan
Financial Commissioner and Secretary
Government of Karnataka
Vidhan Soudha
Bangalore 560 001 | Member |
| 13. Shri M.G. Kutty
Secretary
Finance Department
Government of West Bengal
Writers Building
Calcutta 700 001 | Member |

14. Shri S. Kumarasundaram
Director
Industrial Credit and Investment
Corporation of India Ltd.,
163, Backbay Reclamation
Bombay 400 020

Member

15. Dr. C. Rangarajan
RBI Professor of Economics
Indian Institute of Management
Vastrapur
Ahmedabad 380 015

Member

16. Dr. D.M. Nanjundappa
Secretary
Planning Department
Government of Karnataka
Bangalore 560 001

Member

17. Dr. R.J. Chelliah
Director
National Institute of Public
Finance and Policy
12, Rajendra Place
New Delhi 110 008

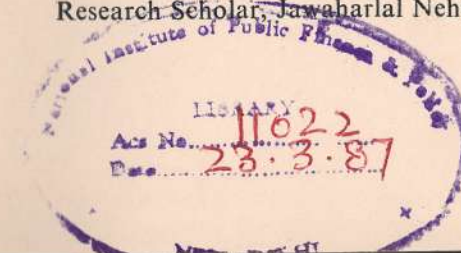
Member-Secretary

ANNEXURE IX

List of Research Scholars who visited the Institute's
Library during 1979-80

S. No.	Name of Scholar	University/Institute
1.	Shri Sanatan Mohanty	Department of Analytical and Applied Economics, Utkal University, Bhubaneswar
2.	Shri R.K. Menaria	U.G.C. Teacher Fellow, Rajasthan University, Jaipur
3.	Shri T. Divakar Rao	Research Scholar, Andhra University, Vijayawada
4.	Shri R. Prasad	Lecturer, Deshbandhu College, Delhi University, Delhi
5.	Dr. J.R. Kesselman	Visiting Professor, Delhi School of Economics, Delhi
6.	Shri M.M. Suri	ARSD College, Department of Economics, Delhi University, Delhi
7.	Shri. S. Rajachandra Sekar	Research Fellow, Department of Economics, M S. University of Baroda
8.	Shri A.S. Srivastava	Department of Economics, Lajpat Rai, Post Graduate College, Meerut University
9.	Dr. Larry Schroeder	Maxwell School, Syracuse University New York
10.	Shri P.K. Sen	Department of Economics, Banaras Hindu University, Varanasi
11.	Shri B.M. Gupta	Research Scholar, Meerut University, Meerut
12.	Shri S.K. Singh	Head Department of Economics, Bhagalpur University, Bhagalpur
13.	Shri B. Shive Reddy	Research Scholar, Jawaharlal Nehru University, New Delhi
14.	Shri G.S. Mathur	Department of Economics, Mohta College, Sadulpur, Rajasthan
15.	Shri K. Naropa Reddy	Department of Economics, S.V. University, Tirupati
16.	Shri A.K. Srivastava	Teacher Fellow, Department of Economics, Lucknow University, Lucknow
17.	Dr. Taherul Islam	Professor of Economics, Dacca University, Bangladesh
18.	Shri Thippa Reddy	Reader in Economics, Osmania University, Hyderabad
19.	Shri C.H. Raghuram	Reader in Economics, Osmania University, Hyderabad
20.	Shri P. Prashanth	Research Scholar, Jawaharlal Nehru University, New Delhi

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List of Research scholars who visited the Institute

Library during 1978-79

Sl. No.	Name of the scholar	Institution
1	Dr. B. K. Chakravarty	University of Calicut, Kerala
2	Dr. K. K. Chakravarty	University of Calicut, Kerala
3	Dr. K. K. Chakravarty	University of Calicut, Kerala
4	Dr. K. K. Chakravarty	University of Calicut, Kerala
5	Dr. K. K. Chakravarty	University of Calicut, Kerala
6	Dr. K. K. Chakravarty	University of Calicut, Kerala
7	Dr. K. K. Chakravarty	University of Calicut, Kerala
8	Dr. K. K. Chakravarty	University of Calicut, Kerala
9	Dr. K. K. Chakravarty	University of Calicut, Kerala
10	Dr. K. K. Chakravarty	University of Calicut, Kerala
11	Dr. K. K. Chakravarty	University of Calicut, Kerala
12	Dr. K. K. Chakravarty	University of Calicut, Kerala
13	Dr. K. K. Chakravarty	University of Calicut, Kerala
14	Dr. K. K. Chakravarty	University of Calicut, Kerala
15	Dr. K. K. Chakravarty	University of Calicut, Kerala
16	Dr. K. K. Chakravarty	University of Calicut, Kerala
17	Dr. K. K. Chakravarty	University of Calicut, Kerala
18	Dr. K. K. Chakravarty	University of Calicut, Kerala
19	Dr. K. K. Chakravarty	University of Calicut, Kerala
20	Dr. K. K. Chakravarty	University of Calicut, Kerala

AUDITOR'S REPORT TO THE MEMBERS OF THE GENERAL BODY

We have examined the Statement of Financial Position of the National Institute of Public Finance and Policy as at 31st March 1980 and the annexed Income and Expenditure Statement for the year ended as on that date, which are in agreement with the books of accounts maintained by them.

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

In our opinion and to the best of our information and according to explanations given to us, the said statements, subject to and read with notes thereon, give a true and fair view :

- i) In the case of the Statement of Financial Position, of the state of the affairs of the Institute as at 31st March 1980, and
- ii) In the case of the Income and Expenditure Statement, of the deficit for the year ended on 31st March 1980.

Place : New Delhi

Dated : 30th June 1980

For Sood Brij & Associates
Chartered Accountants

Brij Mohan Gupta
Partner

STATEMENT OF FINANCIAL POSITION

	Schedule	As at 31st March	
		1980 Rs.	1979 Rs.
FUNDS	A	70,11,863	61,67,065
RESERVES	B	2,19,612	2,49,368
CURRENT LIABILITIES	C	3,76,601	4,61,364
TOTAL		76,08,076	68,77,797
REPRESENTED BY :			
FIXED ASSETS	D	13,70,572	8,50,728
INVESTMENTS	E	56,11,000	52,60,000
CURRENT ASSETS	F	6,26,504	7,67,069
NOTES ON ACCOUNTS	G	—	—
TOTAL		76,08,076	68,77,797

The Schedules referred above form integral part of this Statement.

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

As per our report of even date

For Sood Brij & Associates
Chartered Accountants

Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 30th June 1980

INCOME AND EXPENDITURE STATEMENT

	Year ended 31st March	
	1980	1979
	Rs.	Rs.
INCOME		
Grant - in - aid	5,00,000	5,00,000
Corporate Membership Fees	40,000	14,000
Project Fees	2,75,560	89,112
Course and Programme Fees	58,000	1,200
Interest on investments :		
—Endowment Fund	4,67,574	4,58,574
—Research Fund	46,336	40,655
—Other Funds	15,434	4,336
	5,29,344	4,336
I.C.S.S.R. Senior Fellowship Grant	15,399	—
Workshop (Techniques of Budgetary Projections) Grant	25,050	24,000
Government of Gujarat Grant	31,606	—
Government of Uttar Pradesh Grant	6,423	—
I.C.S.S.R. Seminar Grant	—	25,650
Sale of Publication	820	471
Previous Year Adjustments	3,750	352
Excess Provisions of Previous Year Written Back	1,267	128
Fluctuation in Foreign Currency Rate	159	—
Miscellaneous Income	183	—
	14,87,561	11,58,478
Net Deficit Transferred to General Reserve	29,756	—
TOTAL	15,17,317	11,58,478

EXPENDITURE

	Year ended 31st March	
	1980	1979
	Rs.	Rs.
Salaries and Staff Benefits (including Rs. 31,216 towards employer's contribution to Staff Provident Fund)	7,49,869	6,13,895
Rent, Rates & Taxes	2,50,277	1,80,437
Water & Electricity	15,507	13,189
Printing & Stationery	28,368	40,147
Workshop (Techniques of Budgetary Projections) Expenses	28,033	24,655
I.C.S.S.R. Senior Fellowship Expenses	18,280	—
I.C.S.S.R. Seminar Expenses	—	25,650
Postage, Telegram & Telephone	17,225	16,835
Repairs & Maintenance	25,020	14,925
Travelling & Conveyance	34,327	37,441
Motor Car Expenses	8,551	7,961
Books & Periodicals	8,980	38,577
Publication Expenses	684	8,430
Course and Programme Expenses	24,378	—
Training Expenses on Computer Staff	30,000	—
Ford Foundation Grant Expenses :		
—Rupee Account :		
—Books & Periodicals	8,300	13,204
—Office Equipment (Transferred to Capital Fund)	3,04,506	15,404
—Land & Buildings (Transferred to Building Fund)	3,26,525	1,63,800
—Collaborative Research	37,583	—
—Miscellaneous	46	—
	6,76,960	1,92,408
Less : Rupee Grant received from Ford Foundation	6,76,960	1,92,408
Carried Over	12,39,499	10,22,142

	Year ended 31st March	
	1980 Rs.	1979 Rs.
Brought Forward	12,39,499	10,22,142
Dollar Account (Equivalent Indian Rupees)		
—Books & Periodicals	57,410	22,928
—Fellowships abroad	2,12,829	40,278
—Office Equipment	72,183	—
—Bank Charges	40	40
	<u>3,42,462</u>	<u>63,246</u>
Less : Dollar Grant received from Ford Foundation (Equivalent Indian Rupees)	<u>3,42,462</u>	<u>63,246</u>
Audit Fee	1,500	1,250
Miscellaneous Expenses	33,217	19,389
Loss on Sale of Fixed Assets	2,154	—
Depreciation on Fixed Assets	1,13,972	36,838
Transfers to :		
—Capital Fund for Cost of Assets Purchased	1,20,334	22,554
—Contingency Reserve	—	25,000
—Gratuity Reserve	—	12,884
Previous Year Adjustments	6,641	—
	<u>15,17,317</u>	<u>11,40,057</u>
TOTAL	—	18,421
Net Surplus Transferred to General Reserve	<u>15,17,317</u>	<u>11,58,428</u>
TOTAL		

REFER TO SCHEDULE 'G' FOR NOTES

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

As per our report of even date
For Sood Brij & Associates
Chartered Accountants

Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 30th June 1980

FUNDS	SCHEDULE 'A'	
	As at 31st March	
	1980 Rs.	1979 Rs.
CAPITAL FUND		
As per last account	9,39,907	
Add : Cost of Assets acquired during the year including out of Ford Foundation Grant	4,97,023	14,36,930
	<u>14,36,930</u>	<u>9,39,907</u>
ENDOWMENT FUND		
As per last account	46,50,000	
Add : Transferred from Building Fund during the year	1,50,000	48,00,000
	<u>48,00,000</u>	<u>46,50,000</u>
LIFE MEMBERS' FUND		
As per last account	1,00,000	1,00,000
SCIENTIFIC RESEARCH FUND		
As per last account	4,68,750	
Add : Received during the year	21,250	4,90,000
	<u>4,89,000</u>	<u>4,68,750</u>
BUILDING FUND		
As per last account	8,408	
Ford Foundation Grant	3,26,525	
	<u>3,34,933</u>	
Less : Transferred to Endowment Fund	1,50,000	1,84,933
	<u>1,84,933</u>	<u>8,408</u>
TOTAL	<u>70,11,863</u>	<u>61,67,065</u>

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

For Sood Brij & Associates
Chartered Accountants

Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 30th June 1980

SCHEDULE 'B'

RESERVES

		<u>As at 31st March</u>	
		1980	1979
		Rs.	Rs.
GENERAL RESERVE			
As per last account	1,46,009		
Less : Deficit for the year	29,756	1,16,253	1,46,009
CONTINGENCY RESERVE			
As per last account		75,000	75,000
GRATUITY RESERVE			
As per last account		28,359	28,359
TOTAL		<u>2,19,612</u>	<u>2,49,368</u>

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

For Sood Brij & Associates
Chartered Accountants

Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 30th June 1980

SCHEDULE 'C'

CURRENT LIABILITIES AND PROVISIONS

		<u>As at 31st March</u>	
		1980	1979
		Rs.	Rs.
For Expenses		89,346	48,463
Grant received in advance for committed expenses		2,69,291	4,00,582
Security deposit		100	100
Others		17,864	12,219
TOTAL		<u>3,76,601</u>	<u>4,61,364</u>

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

For Sood Brij & Associates
Chartered Accountants

Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 30th June 1980

SCHEDULE 'D'

FIXED ASSETS AS AT 31st MARCH 1980

Description	GROSS BLOCK AT COST				DEPRECIATION				W.D.V. as at 31st March	
	As at 1st April 1979	Additions during the year	Sale/ad-justment during the year	As at 31st March 1980	As at 31st March 1979	For the Year	Adjustments during the year	Total	1980	1979
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Leasehold Land	6,05,392	—	—	6,05,392	—	—	—	—	6,05,392	6,05,392
2. Furniture & Fixture	1,68,475	20,979	—	1,89,454	40,029	14,943	—	54,972	1,34,482	1,28,446
3. Office Equipment	1,07,478	1,86,566	43,120	2,50,924	29,761	34,970	11,966	52,765	1,98,159	77,717
4. Vehicles	29,977	—	—	29,977	14,629	3,070	—	17,699	12,278	15,348
5. Library Books	1,098	—	—	1,098	335	114	—	449	649	763
6. Data Processing Equipment	—	2,89,478	—	2,89,478	—	57,896	—	57,896	2,31,582	—
7. Airconditioners & Water Coolers	27,487	—	—	27,487	7,628	2,979	—	10,607	16,880	19,859
8. Building Work-in-Progress	—	—	—	—	—	—	—	—	1,71,150	3,203
TOTAL	9,39,907	4,97,023	43,120	13,93,810	92,382	1,13,972	11,966	1,94,388	13,70,572	8,50,728

K. V. Viswanathan
AccountantR. J. Chelliah
DirectorD. T. Lakdawala
ChairmanPlace : New Delhi
Dated : 30th June 1980For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

SCHEDULE 'E'

INVESTMENTS
(In Fixed Deposits)

	Public Sector Banks	Public Limited Companies	As at 31st March	
			1980 Rs.	1979 Rs.
Endowment Fund	43,00,000 (41,50,000)	5,00,000 (5,00,000)	48,00,000	46,50,000
Scientific Research Fund	4,90,000 (4,60,000)	— —	4,90,000	4,60,000
Others	3,21,000 (1,50,000)	— —	3,21,000	1,50,000
TOTAL			56,11,000	52,60,000

K. V. Viswanathan
AccountantR. J. Chelliah
DirectorD. T. Lakdawala
ChairmanPlace : New Delhi
Dated : 30th June 1980For Sood Brij & Associates
Chartered Accountants
Brij Mohan Gupta
Partner

SCHEDULE 'F'

CURRENT ASSETS

		As at 31st March	
		1980 Rs.	1979 Rs.
CASH AND BANK BALANCES			
Cash on Hand	574		150
Postage Imprest	81		54
In Current Accounts with Banks	3,03,364		3,66,631
In American Express, New York (Equivalent Indian Rupees)	2,10,469	5,14,488	3,33,895
ADVANCES AND DEPOSITS			
Prepaid Expenses	27,312		20,264
Security Deposit	547		547
Interest Accrued on Investments	50,106		36,358
Staff Imprest	373		900
Leave Travel Concession Advance	1,950		1,096
Expenses Recoverable	31,728	1,12,016	7,174
TOTAL		6,26,504	7,67,069

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

For Sood Brij & Associates
Chartered Accountants

Brij Mohan Gupta
Partner

Place : New Delhi
Dated : 30th June 1980

SCHEDULE 'G'

NOTES ON ACCOUNTS :

(Annexed to and forming part of the Statement of Financial Position as at 31st March 1980 and Statement of Income and Expenditure for the year ended on that date)

1. The Contingency Reserve does not represent any specific liability.

2. FORD FOUNDATION GRANT

a) The Ford Foundation sanctioned non - recurring grants of US Dollars 2,00,000 to the Institute during 1978-79. The grants to the extent received and/or utilised till the close of the year are as under :

	RECEIPTS		TOTAL	UTILISATION		TOTAL	Balance as at 31-3-1980
	1978-79	1979-80		1978-79	1979-80		
IN RUPEE ACCOUNT							
—U.S. Dollar	29200	83300*	112500	23528	84132	107660	\$ 4840
—Rupee Equivalent	238794	669096	907890	192408	676960	869368	Rs. 38522
IN DOLLAR ACCOUNT							
—U. S. Dollar	50000	27500	77500	7963	43113	51076	\$ 26424
—Rupee Equivalent	397140	219037	616177	63246	342462	405708	Rs. 210469

b) *Out of the US Dollar Account an amount of US \$ 2500 was repatriated to the Rupee Account during the year.

c) The receipts in the US Dollar Account have been translated to Rupee equivalent at the rates prevailing at the time of credit. The utilisation has also been translated at the same rates.

3. The unutilised balances under Ford Foundation Grants are committed for specific utilisation to be made during the year 1980-81.

4. The deed for leasehold land acquired from Delhi Development Authority during the year 1978-79 has to be executed in favour of the Institute.

5. The Building Fund as on March 31, 1980 shows a balance of Rs. 184933 out of which Rs. 171151 has been incurred upto the year end as per details given below :

Payment towards purchase of steel	Rs.	1,15,500
Part - payment of Architects' Fee	Rs.	24,000
Payment of fee for Building Plan approval	Rs.	4,500
Salary to the Project Engineer	Rs.	22,500
Miscellaneous Expenses	Rs.	4,651
TOTAL		Rs. 1,71,151

6. a) The Institute incurred expenditure of Rs. 684 during the year on publications to be brought out and the same has been treated as expenditure during the year.
b) The stock of publications in hand valued at Rs. 6974 have not been considered in the books of accounts.
7. The expenditure on Books and Periodicals is inclusive of remittances against which the publications are to be received.
8. According to the actuarial valuation, Rs. 4910 is only to be provided for gratuity for the Director of the Institute. Other employees have not completed the minimum qualifying period of service at close of the year.
9. Corporate membership fees have been accounted on actual receipts basis.
10. Previous year figures have been rearranged wherever necessary.

K. V. Viswanathan
Accountant

R. J. Chelliah
Director

D. T. Lakdawala
Chairman

For Sood Brij & Associates
Chartered Accountants

Place : New Delhi
Dated ; 30th June 1980

Brij Mohan Gupta
Partner