

**Foundation for Public Economics and Policy
Research,**

Delhi-110052

Consolidated Report

(From 2002-03 to date)

The Foundation for Public Economics and Policy Research (FPEPR) was registered as a Society (under the Societies Registration Act XXI of 1860) with registration number S 44348 of 2002 on November 13, 2002. As part of its objectives, the Foundation initiates research studies and training programmes for the advancement of education on Tax Policy and Administration.

A. Research Studies

Since inception, the Foundation has completed the following comprehensive research studies:

1) Measuring Performance of State-VAT: A Case Study of Organizational and Procedural Aspects of Governance of State-VAT in Indian States (March 2012)

This study attempted at analysing administration of state-VAT and to measure its performance. In doing so, it reviewed the outcome of tax administration in relation to its organization and operations. The analysis related to 17 major States leaving aside 11 special category States. The major States have been further classified into high income, middle income and low income States in the study. For a detailed analysis of organization and procedures this study has selected five states, viz. Karnataka, Maharashtra, Bihar, Madhya Pradesh and Uttar Pradesh. Karnataka and Maharashtra are taken as the States that factor for good performance, way ahead of other States and has made some reforms in policies and administration of the tax. Bihar, Madhya Pradesh and Uttar Pradesh are drawn from the group of States that need to carry out further reforms in administration of this tax. Also, these are the States that historically have had different economic backgrounds and have also been recently reorganized to form three new States. This study was sponsored by the FPEPR.

2) Tax Reforms in India: A Road Map for Second Generation Reforms –(July 2010).

The study aimed at analysing comprehensively the tax system of the Central and State Governments in India. In doing so, it analyses trends in the fiscal contribution of each and every tax imposed by the Centre and the States since 1991-92 and examines the structure as well as operations of direct and indirect taxes. In this process, it reviews the recommendations of various Committees related to all the taxes at the Centre and at the State level. Finally, the study puts forth recommendations for further reforms in the overall tax system both in the short as well as in the long run. The study was sponsored by the Indian Council of Social Science Research (ICSSR), New Delhi.

3) Road User Taxation in India: An Analysis of Issues in Tax Policy and Governance (October 2010)

Given the status of road transport in India, indicating increase in the number of registered vehicles causing their concentration, and also stress on the available meager infrastructure of highways and other motorable routes, this study is a comprehensive work on taxation of transport vehicles. The study analysed the fiscal importance of taxes on motor vehicles; evaluated the structure of all transport taxes levied by the Central, State and Local governments on purchase and use of vehicles in terms of cost for the users (especially for the trade and industry to have least cost and efficiency in the national and international trade and commerce); presented an estimate of combined incidence of all the taxes on road transport by taking into account a few select categories of vehicles; and recommended a rational system of taxation for the transport industry. The study put forth reforms for rational and efficient user charges and set modalities for the governance of these taxes to achieve higher growth in the overall road transport sector which in turn will impact trade and industry in the country. This study was sponsored by the Planning Commission, Government of India, New Delhi.

4) Revenue Implications of Introducing Goods and Services Tax in India (January 2010).

The study estimated revenue of both the Centre and the States when the Goods and Services Tax (GST) get introduced in India replacing the existing CenVAT and service tax at the Centre level and State-VAT at the State level. It made projections of revenue from the proposed tax for the two tiers of Governments for the period of award of the Thirteenth Finance Commission (TFC),

viz. 2010-11 to 2014-15. In addition, the coverage of the study broadly included (a) the structure of taxes on commodities and services in India, as allocated between the Centre and the States, (b) the issues arising from the harmonization of taxes through the GST (c) re-structuring of taxes on commodities and services in the Union and the States Lists, taking into account the issues related to Central GST and concerned taxes, State GST, countervailing duties, entry tax, turnover tax, purchase tax, and the likely issue of levy of VAT on imports, etc. For estimating the revenue implications, the study adopted different approaches, *viz.* revenue approach, consumption approach and turnover approach and presented a comparative picture of estimates of revenue through all these approaches. The study was sponsored by the TFC.

5) Preparation of Addendum to the Memorandum for the Government of Meghalaya to be submitted to the Thirteenth Finance Commission (November 2009)

This study was undertaken to prepare an addendum to the State Memorandum on the behalf of the Government of Meghalaya for onward submission to the Thirteenth Finance Commission (TFC). In view of the fact that the earlier memorandum was submitted by the past Government, a review of these projects was undertaken to assess the specific needs, potential and cost disabilities of the State after new Government of Meghalaya took over. To append to this, an addendum to memorandum highlighting requirements of grants for up-gradation of administration and special problems of Meghalaya was also prepared. The study was sponsored by the Government of Meghalaya.

6) Reforming VAT in Bangladesh: An Evaluation of Structure, Organization and Procedures (September 2008).

This study was in the form of a Report submitted by Dr. Purohit, as an international consultant to the Project, to the Modernization and Automation Project (MAP) of the World Bank. MAP is managed by the National Board of Revenue, Government of Bangladesh, Dhaka. The Report examined the structure, organization and procedures for VAT administration in Bangladesh and recommended necessary reforms. It was hypothesized that the National Board of Revenue (NBR) can attain a higher level of transparency and efficiency in the collection of taxes by implementing the reforms recommended in the Report. Also, it was hypothesized that the existing structure of VAT in Bangladesh has many weaknesses and does not conform to the principles of VAT. The study recommended reforms that would ensure a rational tax

system conducive to economic growth which would also provide efficient tax administration.

7. Preparation of Memorandum for the Government of Sikkim to be submitted to the Thirteenth Finance Commission (July 2008)

This study was undertaken to prepare a State Memorandum on behalf of the Government of Sikkim for onward submission to the Thirteenth Finance Commission. It included all the aspects of tax and non-tax revenues, State expenditure, etc. for the past, current and projected period. The study attempted to bring together all the aspects of public finance in the State of Sikkim. The overall work was submitted in five different volumes, *viz.* Memorandum to the Thirteenth Finance Commission; Financial Position of the State (State Formats); Subsidiary Points (Notes on Topics- State); Memorandum and Subsidiary Points on Local Bodies; and Upgradation Grant, Special Problems and Specific Needs of the State. The study was sponsored by the Government of Sikkim.

8. Public Finance Management Accountability of VAT and State Excise in Maharashtra (December 2007)

This study was in the form of a Report submitted by Dr. Purohit, as a consultant to the World Bank, Delhi Office. The study reviewed the institutional and administrative structure of value added tax (VAT) and state excise duty in Maharashtra. It recommended reforms in organization and procedures of these two taxes for improving transparency and efficiency in administration. The study was assigned to Dr. Purohit by the World Bank.

9. Evaluating Tax Policies and Tax Administration in Indian States (February 2008)

This study analysed the structure and operations of some of the important state taxes and at suggesting measures for broadening the tax base and rationalizing structure and administration of these taxes to have an efficient and neutral tax system and effective enforcement of tax laws. With a view to doing so, the study covered three important state taxes, *viz.* value added tax (VAT), state excise duty, and stamp duty & registration fee. The study further aimed at evaluating tax administration and tax policies in a sample of States belonging to both developed and poor States. For this purpose it has selected four States, *viz.* Karnataka, Bihar, Madhya Pradesh and Uttar Pradesh. The study was sponsored by the World Bank and assigned to Dr. Purohit.

10. Study of Public Finance Management Accountability System of Government of Jharkhand

with reference to VAT and State Excise Duty (April 2007)

This study was an attempt to analyse some of the indicators from the point of efficiency in tax operations. With a view to making an assessment of the public finance management accountability (PFMA) of the State of Jharkhand, this study confined its attention to only two important indirect taxes, viz. VAT and the state excise, and applied the indicators of (a) transparency of taxpayer obligations and liabilities; (b) effectiveness of measures for taxpayer registration and tax assessment, and (c) effectiveness in collection of tax payments, for improved efficiency in overall tax system. The study was sponsored by the World Bank and assigned to Dr. Purohit.

11. Value Added Tax: Experiences of India and Other Countries (March 2007)

Value Added Tax (VAT) has emerged as one of the most important fiscal innovation of the present century. In 90's alone about 50 countries have adopted this tax, thus bringing the total number of VAT countries to more than 140. India has also adopted CenVAT at the federal level and the Empowered Committee of States Finance Ministers has been striving to get the State VAT introduced by April 2002 in all the States. In this context, this book presented evolution of VAT, analysed its rationale and brought out the reasons for its popularity as a fiscal measure. In the Indian context, it presented up-to-date developments in introduction of VAT by the Union and by all the States. The coverage included an in-depth analysis of the rates, base, exemptions, taxation of services and harmonization of tax rates. Due emphasis was given to organization for tax administration as well as to the MIS for tax administration. The book presented an extremely informative account of the management of VAT in France, especially of the forfeit system for small dealers and also of GST of Canada. In the light of the experiences of all the VAT countries, the study aimed at drawing attention towards the key issues in the introduction of VAT. The present study was updated fifth edition of the book and was sponsored by the FPEPR.

12. Mobilizing Resources through Reform of Non-tax Sources for Planned Development (December 2006)

The study aimed at (i) analyzing the structure of State non-tax sources and presenting the *modus operandi* of their operations; (ii) examining the structural reforms and suggesting a new non-tax

structure which is economically rational and yields larger resources; and (iii) suggesting procedural reforms in existing fiscal measures to minimise harassment to consumers of utilities, and making structural reforms politically palatable. The study encompasses various aspects of non-tax sources of all the States in India with special reference to cost recovery using the regression technique. The analysis of user charges at the disaggregated level for each of the services provided in different States is based on the data drawn from the State Budget documents. A comparative analysis of recovery rates (RRs) over time is based on the results for two points of time, *i.e.* 1993-94 to 1995-96 and 2001-02 to 2003-04. RR is defined as revenue receipts from the service as percent of revenue expenditure on service. The results of RR_i (recovery rate from the i^{th} service) among the States are based on normative approach using panel data models. Finally, the study puts forth policy imperatives for proper pricing of services to use this as a major source of budgetary receipts for the States. The study was financed and supported by the SER Division of the Planning Commission, Government of India, New Delhi.

13. Mobilizing Tax and Non-tax Sources: A Case Study of Uttaranchal (January 2006)

The study presented basic features and trends of finances in Uttaranchal and analysed the trends in tax and non-tax sources of the State from the date of its coming into existence. It further examined in details each of the tax and non-tax sources and recommended measures to mobilize resources both in the short and medium terms. In doing so it compares the existing rates and procedures of different taxes in the Indian States. Also, to determine the user-charges for non-tax sources, this study attempts an empirical exercise of ten selected services for 16 States, including Uttaranchal, to demonstrate that the current recovery rates in the form of user charges are low. The study also examines the fiscal prudence necessary for the State in view of the FRBM Act of the State. The study was sponsored by the Second State Finance Commission of Uttaranchal.

14. Revenue Implications of Introducing Value Added Tax (August 2005)

This study is the first attempt to empirically examine the effects of introducing State-VAT by replacing the existing sales tax in the States. For an in-depth analysis it takes a case study of Rajasthan and recommends measures needed to improve governance from the point of tax department of all the States as also from the view of taxpayers. The study suggests measures

needed to improve the structure of VAT both in the short-run and in the medium run. Also, the study recommends as a measure of second-generation reforms to have just one comprehensive State-VAT (by merger of CenVAT into State-VAT) and some restructuring of State taxes. The study was supported by a grant from the Indian Council of Social Science Research, New Delhi

15. E-commerce and Economic Development (February 2005)

In view of the fact that the emergence of e-commerce is the most important development since the industrial revolution, this study examines the role of e-commerce as the most important factor that will revolutionize economic growth. The study presents a proper understanding of the *modus operandi* of tax policy and tax governance in relation to e-commerce. In doing so, it analyzes the economic implications of taxation/non-taxation of e-commerce. It also examines the issue of how the rise of e-commerce will affect the suitability of various concepts and practices in the prevailing tax systems and the overall economic development in the long run. The study suggests a bottom-up approach, wherein micro economic variables are used to prove the hypothesis. Accordingly, it makes a case study of Andhra Pradesh - the State which has launched several projects connected to the State's portal for better service delivery to the citizen. With a view to determining the effect of e-commerce on economic development, this study proposes a methodology of estimating the productivity gains through it. The study puts forth policy recommendations to have good access and reasonable affordability of these services. The study was Sponsored by South Asia Network of Economic Research Institutes – SANEI.

16. Tax Efforts of the Central and State Governments in India (November 2004)

This study estimates relative tax effort of the Centre and State governments in India. With a view to comparing the relative position of the Centre, it takes into account the tax effort of the equi-GDP countries. For the States, it compares the taxable capacity of each State with the average capacity of all the other major Indian States. The study was sponsored by the Twelfth Finance Commission.

17. Taxes on Commodities and Services in India: Estimating Revenue Potential of Harmonized Central and State Taxes (December 2003)

This was the first study undertaken by the FPEPR. The study presented a system of harmonized commodity taxes both at the

Centre and at the States' level. In addition, it estimated potential revenue of the proposed harmonized system of commodity taxes. The study was to help the Twelfth Finance Commission (TFC), which has to take into account the revenue implications of implementing VAT while making its recommendations. In the long-term, it has also to take care of the vertical imbalances in the taxing powers of the federal and State governments plus vertical tax externalities of taxing the same tax base by the two governments. The study was significant in view of the fact that despite the Centre's policy decision of imposing a dual VAT system in the country, it has not been possible to introduce State-VAT, although the CenVAT has come into existence. One of the reasons for this is the lack of information about revenue implications of having this system at the State level. The States apprehend a loss of revenue on the introduction of VAT. Various models of VAT in federal countries indicate that the design of the tax should be a destination-based consumption type VAT. The empirical estimates revealed that if State-VAT replaces sales tax, the States would lose considerable revenue since CST has to be made destination-based in order to make India a common market. Also, loss due to input credit would not be compensated unless the States are given the power to tax services.

B. Training Programmes, Workshops and Seminars

Advancement in education being the important objective of the FPEPR, it undertook the task of educating administrators, policymakers and taxpayers by holding workshops, training programmes and seminars.

B.1 Training Programmes on VAT Policy and Administration

One of the main tasks of the FPEPR is to impart training to officers of the State Governments administering Value Added Tax (VAT). In this context it has conducted the training programmes as given below:

Year	Organized For	Place	Duration
2003	Tax officers of all the States	Ashoka Hotel, New Delhi	17 th to 21 st February
2003	VAT officers of Nagaland	Dimapur, Nagaland	7 th to 10 th April

2003	Tax officers of all the States	India Habitat Centre, New Delhi	13 th to 17 th October
2004	Ministry of Fertilizers and Chemicals	India Habitat Centre, New Delhi	13 th March
2004	Tax officers of all the States	India Habitat Centre, New Delhi	4 th to 8 th October
2004	Tax officials of Meghalaya	Shillong, Meghalaya	22 nd to 26 th November
2005	Food Corporation of India	Gurgaon, Haryana	19 th to 20 th April
2006	Tax officers of all the States	India Habitat Centre, New Delhi	1 st to 5 th May
2006	Tax officials of Meghalaya	Shillong, Meghalaya	9 th to 13 th October
2006	Tax Officers of Mizoram	Aizawl, Mizoram	27 th to 30 th November
2007	Tax officers of all the States	India Habitat Centre, New Delhi	9 th to 13 th May
2008	Tax officers of all the States	India Habitat Centre, New Delhi	5 th to 9 th May
2009	Tax officers of all the States	India Habitat Centre, New Delhi	18 th to 22 nd May

Since 2010 the FPEPR is organizing training programme in Goods and Service Tax (GST) in place of training on value added tax (VAT).

So far the following programmes have been organized.:

Year	Organized For	Place	Duration
2010	Tax officers of all the States	India Habitat Centre, New Delhi	3 rd to 7 th May
2010	VAT officers of Mizoram	Aizawl, Mizoram	5 th to 7 th October
2011	Tax Officers of All the States	India Habitat Centre, New Delhi	9 th to 13 th May

		Delhi	
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B.2 Workshop on VAT

In view of lack of clarity on the forthcoming design of State-VAT and prevailing apprehensions on the impact of VAT on business process model and the resultant cost of compliance, the *Foundation* decided to hold a one day information workshop on VAT for the taxpayers for general public information. The workshop was organized on October 14, 2004 at the India Habitat Centre, Lodhi Road, New Delhi. It was attended by 27 senior executives of companies.

B.3 International Seminars

As part of the activities of the Foundation, it has organised the following International Seminars:

International Seminar on Issues before the Thirteenth Finance Commission: An International Seminar was held at the India Habitat Centre on Saturday the 17th May 2008. It was inaugurated by Dr. Vijay Kelkar, Chairman, Thirteenth Finance Commission. More than 67 delegates from different organizations attended the Seminar. Important among these were the delegates from the Finance Commission, Delhi University, Jawarhar Lal Nehru University, Jamia Milia University, Reserve Bank of India offices of Delhi and Mumbai, experts from Bangalore, Hyderabad, and Chennai. Dr. Anwar Shah, Lead Economist, World Bank Institute, Washington D. C. was the special invitee. He is a renowned expert on federal finance and also presented a paper on the subject. Present members of the Thirteenth Finance Commission and the past members of the Twelfth Finance Commission also participated in the Seminar. Dr. Arvind Virmani (Chief Economic Advisor, Government of India); Dr. Pulin Nayak, (Director, Delhi School of Economics, University of Delhi); and Dr. B K Chakrabarti, (Member, Planning Commission) each chaired a session. Seminar was sponsored by the Reliance Industries Ltd., Mumbai.

International Seminar on Reforms in Fiscal and Monetary Policies: The Task Ahead: The seminar was organized on 9th December 2006 at India Habitat Centre. It was attended by a large number of Indian and foreign delegates. Dr. Anwar Shah, Lead Economist, World Bank Institute, Washington D C chaired one of the sessions. The other two sessions were chaired by Dr.

Saumitra Chaudhuri of ICRA and Prof. B L Pandit of Delhi School of Economics. The Seminar was sponsored by Reliance Industries Ltd.

Seminar on International Taxation: To receive and have presentation of views of the visiting international experts to the FPEPR from the OECD, a seminar was organized on International Taxation on Monday the 21st November 2005, at India Habitat centre, Lodhi Road, New Delhi-110003. The seminar aimed at having exposition of views of Dr. Jeffery Owens, Head of the OECD Centre on Tax Policy and Administration and of Mr Bill McCloskey, Chairman of the Committee of Fiscal Affairs, OECD. The seminar was attended by 38 persons from government, private and international agencies.

Seminar on E-commerce and Economic Development: An International Seminar on E-commerce and Economic Development was organized on Saturday the 11th December 2004 at India Habitat centre, Lodhi Road, New Delhi-110003. The seminar was inaugurated by Dr. C. Rangarajan, Chairman, Twelfth Finance Commission of India. The seminar aimed at fulfilling the objectives of analysing the role of information and communication technologies (ICT) as an important infrastructure of growth in the Indian economy; highlighting that e-commerce is one of the most important factors that would revolutionise the economic growth in a country like India; emphasizing the growth and potential of e-commerce, which at present is far below the levels achieved in the USA, Australia, China, South Korea and Hong Kong; analyzing developments that have influenced business prospects by altering the ways of conducting business, and examining the issue of how the rise of e-commerce will affect the suitability of various concepts and practices in tax systems and in the long run, the overall economic development. The Seminar mainly concentrated on issues related to economic development and micro-foundation of e-commerce and evolved suitable policies for development of information highway and e-commerce. The Seminar was sponsored by Reliance Industries Ltd.

C. Publications of the FPEPR

In addition to various articles and lectures delivered by the faculty of the Foundation, the following studies have been brought out:

Books

1. Purohit, Mahesh C and Vishnu Kanta Purohit (2010), *Non-tax Sources in India: Issues in Pricing and Delivery of Services*, Gayatri Publications, Delhi.

2. Purohit, Mahesh C (2007), *Value Added Tax: Experiences of India and Other Countries*, Gayatri Publications, Delhi.

3. Purohit, Mahesh C (2006), *State-Value Added Tax in India: An Analysis of Revenue Implications*, Gayatri Publications, Delhi-110052.

Working Paper Series

1. "Tax Reforms in India: Need for Further Reforms", by Dr. Mahesh C Purohit and Dr. (Mrs.) V.K. Purohit, FPEPR working paper no. 2/2011.
2. "Measuring Performance of State-VAT: A Study of Organizational and Procedural Aspects of Governance of VAT in Indian States" FPEPR working paper no. 3/2011.
3. "Projections of Revenue from Introduction of GST in India: A Methodological and Empirical Note", by Dr. Mahesh C Purohit and Dr. (Mrs.) V.K. Purohit, FPEPR working paper no. 1/2010.
4. "A Road Map for GST", by Dr. Mahesh C Purohit, FPEPR working paper no. 2/2009.

D. Other Accomplishments

List of independent articles published, lectures delivered, participation in seminars and working groups etc. by Dr. Mahesh C Purohit, Director, FPEPR.

Papers published, presented at Seminars etc.

- 1) "Revenue Estimation for Goods and Service Tax" (co-authored), (2012) in Srivastava, D.K. and U. Shankar (Eds.), *Development and Public Finance: Essays in Honour of Raja J Chelliah*, Sage Publications, New Delhi, pp. 163-184.
- 2) "Goods and Services Tax in India: An Empirical Analysis of Revenue Implications", *The Indian Economic Journal*, Volume 58, No. 1, June 2010, pp. 33-59.
- 3) "Fiscal Federalism in India: Emerging Trends in Unity in Diversity", in Pablo Maria Garat and Miguel Angel Asensio (Eds.) *Fiscal Federalism – Vol. III*, Rubinzal and Culzoni, S.A., Santa Fe and Buenos Aires.

- 4) Petroleum Products under GST?" *The Economic Times*, 14th April 2011.
- 5) "Does West Bengal Need a Bailout?" *The Financial Express*, 20th May 2011.
- 6) "Sensible Tax Moves for GST " *The Economic Times*, 24th November 2011. Delivered lecture on "Reform of Indirect Taxes at Sub-national Level" in 37th Advanced Professional Programme in Public Administration (APPPA) on 21st February 2012 organized by the Indian Institute of Public Administration, New Delhi.
- 7) Participated in a discussion on *Measures to Stop Evasion of Income Tax* on the News Services of All India Radio, for *Charcha ka Vishay Hey* on 1st June 2011.
- 8) Participated in a discussion on *Twelve Five Year Plan* on the News Services of All India Radio for *Charcha ka Vishay Hey* on 24 August 2011.
- 9) Delivered lecture on *Municipal Financing in India: New Approaches* in Fifth Advance Annual Programme under Technical Cooperation Scheme of Colombo Plan, Ministry of External Affairs, Government of India, organized by the Society for Development Studies (SDS) on 9th November 2011.
- 10) Lecture on "Union Budget and GST", at Sri Guru Gobind Singh College of Commerce on 18th March, 2010.
- 11) "Issues in the Introduction of Goods and Services Tax", *Economic and Political Weekly*, January 30-February 5, 2010.
- 12) Addressed the participants of the 35th Advanced Professional Programme in Public Administration on "Introduction of GST: Issue and Options", 3rd December, 2009.
- 13) "GST in India with Reference to International Experiences in Canada, Brazil and Australia", Paper presented in Seminar on *Proposed GST and Direct Taxes Code*, organized by Delhi Administration Officers' Academic Forum (DAOAF), 13th November, 2009, Delhi.

- 14) Participated in a discussion on "Goods and Services Tax (GST): Future Perfect Tax Regime" in *MASSMERIZE 2009: A Conference on Fast Moving Consumer Goods Sector*, organized by FICCI, 23rd July, 2009.
- 15) Participated in "Colloquium on XIIIth Finance Commission and Local Governments", organized by Indian Institute of Public Administration, 13th July, 2009.
- 16) "How to Roll Out GST on Time", *The Economic Times*, 4th September, 2009.
- 17) "Election Manifestos and GST", *The Economic Times*, 5th May, 2009.
- 18) "Laying the Road Map for a Robust GST Regime", *The Economic Times*, 23rd April, 2009.
- 19) "The Gordian Knot of GST", *The Economic Times*, 23rd February 2009.
- 20) "Mobilizing Non-Tax Revenue: An Empirical Analysis of Trends in States", *Economic and Political Weekly*, Vol. 64, No.5, January 31-February 6, 2009, pp. 54-62 (Joint paper).
- 21) "A Step Toward Dual Goods and Services Tax", *The Economic Times*, 15th January 2009.
- 22) "Mobilizing Resources at Sub-National Level: A Case Study of Uttarakhand," *Asian Economic Review*, Vol. 50, No. 3, December 2008, pp. 457-493.
- 23) "Implementation Process of State Level VAT in India", paper presented as an Indian representative at an International Seminar on Tax Reforms and Federalism in Brazil, held at Brasilia (Brazil) from 5th to 6th March 2008, organized by the Government of Brazil and supported by Forum of Federations, Canada.
- 24) "Harmonizing Taxation of Interstate Trade under a Sub national VAT: Lessons from International Experience" in Shah, Anwar (Ed.), (2008), "Macro Federalism and Local Finance", World Bank, Washington, DC, pp. 193-213.
- 25) "Revenue Implications of the Introduction of Goods and Services Tax (GST) in India", paper presented at the *International Conference on Issues before the Thirteenth Finance Commission*, organized by the

Foundation for Public Economics and Policy Research, at New Delhi on May 17, 2008 (Joint paper).

- 26) "Should States be given more Fiscal Powers?" *Financial Express*, 24th June, 2008.
- 27) "Should the Central Government Compensate the States for Reduction in State Levies on Petroleum Products?" *Financial Express*, 30th June 2008.
- 28) *Reforming VAT in Bangladesh: An Evaluation of Structure, Organization and Procedures* (September 2008), Report submitted to the Modernization and Automation Project (MAP) of World Bank managed by the National Board of Revenue, Government of Bangladesh, Dhaka.
- 29) "Some Pre-Budget Suggestions for Mr. Finance Minister", *The Financial Express*, 11th January, 2008.
- 30) "There is no Option but to Hike Prices", *The Financial Express*, 14th January, 2008.
- 31) "Comprehensive GST: Which Taxes to be Subsumed?", *The Economic Times*, 17th January, 2008.
- 32) "Isn't 20% Too High a Rate for Revenue-Neutral GST?" *The Economic Times*, 26th February, 2008.
- 33) "Should Two Goods and Services Tax Components have the Same Base?", *The Economic Times*, 4th February, 2008.
- 34) "Corruption in Tax Administration", in *performance Accountability and Combating Corruption*, ed. Anwar Shah, Washington, DC: World Bank.
- 35) "Has the UPA Delivered in its 3 Years?: A Less than Ordinary Performance", *The Economic Times*, 23rd May, 2007.
- 36) "VAT Procedures and Corruption", *The Economic Times*, 23rd June, 2007.
- 37) "State VAT should Include All Services", *The Financial Express*, 13th August, 2007.
- 38) "Goods and Services Tax and the Thirteenth Finance Panel", *The Economic Times*, 8th September, 2007.
- 39) "Harmonizing Sales (VAT) Taxation in Federal Systems" published in *Unity in Diversity: Learning from*

Each Other, 4th International Conference on Federalism, organized by the Government of India in partnership with the Forum of Federations, Canada during November 5-8, 2007 at New Delhi.

- 40) "Synchronised Dual System is an Option", *The Financial Express*, 3rd December, 2007.
- 41) "Will the Dual GST Structure Work?", *The Economic Times*, 3rd December, 2007.
- 42) "Tax Effort and Taxable Capacity of Central and State Governments in India", *Economic and Political Weekly*, Vol.41, No. 8, Feb 25-March 3, 2006, pp.747-755.
- 43) Participated in the Joint Session of India and USA Branches of the International Fiscal Associations and International Tax Conference held from 23rd to 25th January 2006 at Hotel Taj Palace, New Delhi.
- 44) "Harmonizing Taxation of Interstate Trade under a Sub-national VAT: Lessons from International Experience", in Sthanumoorthy R (2005), *VAT in a Federal System: selected Country Experiences*, ICAFI University Press, Chennai, pp.158-187.
- 45) "Simple Tools for Evaluating Revenue Performance in a Developing Country" in Shah, Anwar (2005), *Fiscal Management*, World Bank.
- 46) "Do States Need Uniform VAT?", *The Economic Times*, April 22, 2005.
- 47) Mahesh C Purohit and Vishnu Kanta Purohit, submitted a paper on "Fiscal Policy for the Growth of Infrastructure: A Case Study of Fiscal Policy *vis-à-vis* Development of ICT in India", at the International Conference of the International Institute of Public Finance (IIPF), held at Jaju Island, Korea, from 22nd to 25th August 2005.
- 48) Delivered a Key Note Address to the participants of the course on Value Added Tax organized by the Indian Institute of Management, Bangalore, on 24th September, 2005.
- 49) "VAT: Welcome Development", *The Economic Times*, September 27, 2005.

- 50) "Harmonizing Taxation of Interstate Trade under a Sub-national VAT: Lessons from International Experience" in Stephen Howes, Ashok Lahiri, and Nicholas Stern (2003), *Fiscal and Governance Reforms in India's States*, Macmillan, New Delhi.
- 51) "A New Roadmap for VAT", *Financial Express*, September 24, 2003.

Dr. Purohit has worked as a Member of the following Working Groups during the period under reference:

1. *Working Group on Mobilizing State Resources for the Eleventh Plan*, Planning Commission, Government of India, New Delhi.
2. *Sub-Group on Mobilizing Resources from Other than Taxes* as a part of the Planning Commission Working Group on Mobilizing State Resources for the Eleventh Plan, Planning Commission, Government of India, New Delhi.
3. *Working Group on Procedural and Process Issues relating to Logistics*, Planning Commission, Government of India, New Delhi.
4. Tax Advisory Committee, Government of Rajasthan, Jaipur.
5. Governing Board of the Institute of Development Studies, Rajasthan, Jaipur.
6. Indirect Taxation Committee, PHD Chamber of Commerce and Industry, New Delhi.
7. Research Advisory Committee of the School of Social Sciences, Jaipur National University, Jaipur.
8. GST Implementation Committee, Government of Bihar, Patna.

Participation in International Workshop:

Participated in an international workshop on Measurement in Customs and Tax Administration in Developing and Emerging Countries organized jointly by the Algiers Customs Organisation, World Customs Organisation, and the World Bank and presented a paper on "Measuring Performance of State-VAT: A Study of Organizational and Procedural Aspects of Governance of VAT in Indian States" held at Algiers (Algeria) on 5th and 6th March 2012.

In addition to the above training programmes and research studies, the faculty of the Foundation contributed by giving lectures, seminars and publishing articles as given below:

Dr. K B L Mathur, Honorary Professor, FPEPR.

- 1) "From Spirituality to Happiness: The Link and Process" presented at a seminar on the *World Confluence of Humanity, Power and Spirituality* held at Kolkata, India from January 2 to 4, 2012.
- 2) Worked as Chairperson in Seminars on Post Budget analysis, held at the Management Institutions like ACCMAN and JIMS
- 3) "From Spirituality to Happiness: The Link and Process" presented at a seminar on the *World Confluence of Humanity, Power and Spirituality* held at Kolkata, India from January 2 to 4, 2012.
- 4) Worked as Chairperson in Seminars on Post Budget analysis, held at the Management Institutions like ACCMAN and JIMS
- 5) "International Economic and Financial Crisis", paper presented at the International Seminar, organised by Jagannath International Management School, Vasant Kunj, Delhi, on 6-7th Feb, 2010;
- 6) "Revisiting Management Practices in Post-Global Recessionary Scenario", paper presented at the International Seminar, organised by Jagannath International Management School, Vasant Kunj, Delhi, on 12-13th March, 2010.
- 7) "Indian Banking Sector: Sound and Resilient", paper published in *Yojana*, Planning Commission, February, 2010.
"Ownership Issue Revisited", Paper presented at the International Seminar on Reforms in Fiscal and Monetary Policies: The Road Ahead on December 9, 2006.
- 8) "What is Holding Consolidation in Indian Banking Sector", Paper presented at the Conference on M & A: The Global Dimensions of Cross Culture Relations, held on March 17, 2007.
- 9) "Inside India's Interest Rate Imbroglia", *The Financial Express*, 24th April, 2007.
- 10) "Devolution Criteria: Issues for Thirteenth Finance Commission", presented at the International Seminar on

Issues before Thirteenth Finance Commission, organised by FPEPR on May 17, 2008.

11) "Financial Sector Regulation and State Control: Lessons from the current Crises", presented at the international Seminar on Financial Sector Crises and its Impact on Indian Economy, organised by JIMS on Feb 26, 2009 at India International Centre, New Delhi.

Dr. D. N Rao, Honorary Professor, FPEPR

Served during 2011-2012 as Member, Editorial Committee, International Journal of Education, Economics and Development (IJEED), Inderscience. Visit www.inderscience.com/ijeed

Dr. N. Mishra, Honorary Professor, FPEPR

In addition to delivering lectures to participants of Advance Training in GST Policy and Administration on accounting issues in GST for FPEPR and Business Communication for CA Foundation Programme, the following publication was brought out:

- 1). *Principles of Management (2011)*, Sahitya Bhawan Publishers and Distributors, New Delhi.

Dr (Mrs) Vishnu Kanta Purohit, Honorary Additional Director, FPEPR.

- 1) "Revenue Estimation for Goods and Service Tax" (co-authored), (2012) in Srivastava, D.K. and U. Shankar (Eds.), *Development and Public Finance: Essays in Honour of Raja J Chelliah*, Sage Publications, New Delhi, pp. 163-184.
- 2) "Goods and Services Tax in India: An Empirical Analysis of Revenue Implications", *The Indian Economic Journal*, Volume 58, No. 1, June 2010, pp. 33-59.
- 3) *Non-tax Sources in India: Issues in Pricing and Delivery of Services*, a co-authored book published in 2010.
- 4) "Mobilizing Non-Tax Revenue: An Empirical Analysis of Trends in States", *Economic and Political Weekly*, Vol. 64, No.5, January 31-February 6, 2009, pp. 54-62 (Joint Paper).
- 5) "Revenue Implications of the Introduction of Goods and Services Tax (GST) in India", paper presented at the

International Conference on Issues before Thirteenth Finance Commission, organized by Foundation for Public Economics and Policy Research, at New Delhi on 17th May, 2008 (Joint Paper).

- 6) "Fiscal Reforms in India: Challenges Ahead", paper presented jointly with Dr. Mahesh C Purohit, in International seminar organized by the FPEPR at India Habitat Centre, Lodhi Road, New Delhi-110003, on December 9, 2006.

Ms. Madhulika, Economist, FPEPR.

- 1) Attended workshop on "International, Government Fundraising and Project Proposal Writing", organized by Nice Foundation, Chennai, held at Indian Social Institute, Delhi from 9th and 10th October 2009.

Ms. Surajita Rout, Economist, FPEPR.

Paper Published:

"Biodiversity Conservation and Sustainable Development: A case study of Orissa" (2011) in the edited book titled *Reinventing Public Management & Development in Emerging Economies* by MacMillan Publishers, New Delhi.

Papers Presented

- 1) "Conservation of Forest and Economic Development of Orissa: A Case Study of Option Value of Chandaka Forest", Paper presented at 92nd Annual Conference of the Indian Economic Association, 2009, held at Bhubaneswar (Orissa) from 27th to 29th December, 2009.
- 2) "Biodiversity conservation and sustainable Development: A case study of Orissa" presented at the International Conference on *Challenges before emerging economies* held on 24th -26th February 2011 at Jamia Millia Islamia (Central University)..

E. Other Relevant Information

The Finance Bill 2008 narrowed down the definition of charitable institutions for exemption of income tax. Subsequently, on applying for 80G, FPEPR was asked to explain why the

registration under section 12A should not be cancelled. However, with the efforts of the Director, the Institute is continuing to have its registration under 12 A and also got the sanction for 80 G, valid until revoked.

The Director worked as an international consultant for five months with the National Board of Revenue, Government of Dhaka during February and September 2009 to help the Government of Bangladesh in reforming VAT in their country. This was a World Bank project managed by the NBR.

F. On Going Research Studies

FPEPR is currently engaged in conducting research on the following studies:

1) Revamping State Excise Duty: Issues in Policy and Governance

This study aims at analyzing revenue productivity, rationality in structure, and administrative expediency of the tax. Also, it presents policy imperatives for reforms. With a view to analyzing the issues in governance of the tax in greater details, the study covers a sample of two States, *viz.* Maharashtra and Rajasthan. Maharashtra is selected as one among the few better performed States in terms of introducing reforms in policies and administration. Rajasthan is drawn from the group of States that need to carry out further reforms. The study is sponsored by the ICSSR.

2) Re-engineering of Tax Department for VAT Administration

The study aims at examining the systems of case specialization *versus* functional specialization and presents a scheme for re-engineering of the tax department on the basis of functions. The study covers two of the North-Eastern States, *viz.* Assam and Meghalaya. Assam, representing a better off State among the other States in the region; and Meghalaya representing a typical North-Eastern State. The overall coverage of the study would include organisation of VAT Department and procedures for VAT administration. The study is sponsored by the Planning Commission.

3) ICT, Economic Development and Poverty Alleviation

The study presents an analysis of the role of ICT in economic development and poverty alleviation. It delves upon the earlier work done on the study of E-commerce and Economic Development–

sponsored by South Asia Network of Economic Research Institutes (SANEI), and encompasses the role of ICT in areas such as agriculture, rural development, industry, health, governance, digital divide, etc. in addition to e-commerce. The study aims at presenting case studies in areas exhibiting variations in economic development in India. The study is sponsored by the FPEPR, New Delhi.

G. Future Programme

Training Programmes on GST Policy and Administration

The FPEPR has planned to organize a One-week *Advance Training in GST Policy and Administration* for the tax officials of all the States to be held in New Delhi from Monday the 30th April to Friday the 4th May 2012.

In view of the fact that the zeal for the introduction of GST has dampen down considerably during the recent months, it is proposed to drop the training programme on GST for a while. Hence, there might be no training programme during the following year. However, the decision to hold the programme would be reviewed in November 2012 depending upon the progress on the GST front.

Publication Plans

The FPEPR proposes to bring out the following publications during the year subject to availability of resources and time:

- a. Road User Taxes in India: Issues in Policy and Governance. The FPEPR has received the consent of the Planning Commission for publishing the study.
- b. Tax Policy and Administration in India.