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Reviewed by G. Venkata Nagaiah



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# The Status of Own Sources of Revenue of the Rural Local Bodies (RLBs) in India: An Inquiry into Structural Concerns on Revenue Generations

Saurabh Bandyopadhyay<sup>1</sup>

Soumi Roy Chowdhury<sup>2</sup>

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## Abstract

Rural Local Bodies (RLBs) of the Panchayati Raj Institutions (PRIs) play a pivotal role in local self-governance. The Seventy-third Amendment (1992) gave Panchayats a Constitutional Status, which established a three-tier system of Panchayat at the village, block, and district levels. While the levels are the same across the country, states have endorsed several laws that are not necessarily analogous to functional roles and responsibilities. Both the 73<sup>rd</sup> and 74<sup>th</sup> Amendments to the Constitution have several subjects listed in the 11<sup>th</sup> and 12<sup>th</sup> Schedules for planning and implementation. In addition, Article 243G of the Constitution bequeaths powers, authority, and tasks of Panchayats through State Government legislation to function as institutions of self-government. The 11<sup>th</sup> Schedule lists the Common Property Resources (CPRs) over which the Panchayats should have authority. NCAER's primary assessment of 5042 GPs from 146 districts in 73 NSS regions in 23 major states reveals that 18 per cent of the GPs are collecting revenues via 13 listed CPRs. The present paper analysed the status of own sources of revenue (OSR) across States in India and its potential. The paper provides an actionable plan with respect to standardised rates, which, if implemented could help augment the revenue of the RLBs through unanimity of tax rates across different regions.

**Keywords:** CPRs (Common Property Resources), GPs (Gram Panchayats), OSR (Own Sources of Revenue), PRI (Panchayati Raj Institution), RLBs (Rural Local Bodies)

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# Fiscal Situation in Andhra Pradesh: A Macro View

G. Jagadeesh\*

## Abstract

This paper discusses the fiscal situation in Andhra Pradesh during 2014-15 to 2019-20. The study is based on secondary data. The study reveals that the share of state's own revenue in the total revenue shows a declining trend. This could be partly due to the introduction of GST. But the gradual decline appears to be a reflection of the state's economic structure and the absence of adequate tax handles to mobilize additional revenues. The declining non-tax revenue is partly due to the performance of SLPEs, not all of which are generating operational surpluses (electricity corporations, APSRTC and others).

**Keywords:** Expenditure, Fiscal Deficit, Public Debt, Receipts, Revenue Deficit

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## Introduction

The state of Andhra Pradesh (AP) was bifurcated into AP and Telangana through the A.P Re-organization Act, 2014 with effect from June 2, 2014. The bifurcation of the state has had its impact on the revenues and expenditures of the state and its assets and liabilities.

Firstly, because of bifurcation, the state has lost Hyderabad and its neighbourhood, a rapidly growing industrial and service sector hub and a huge potential tax base. With Hyderabad going to Telangana, the tax handles available to the state government are significantly reduced. Further, under the Bifurcation Act, refund of taxes has been shared between AP and Telangana on population basis (58.32: 41.68), whereas deferred tax collections have been allocated on location basis. It was estimated by AP that this has caused a huge loss of Rs.3,800 Crore to the new state.

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# Public Expenditure in Uttar Pradesh: Trends and Pattern

**Nagendra Kumar Maurya<sup>1</sup>**

**Shalini Jaiswal<sup>2</sup>**

## Abstract

Public expenditure is efficient when, the government using its given resources properly and produces a maximum possible output for the population of the country. From this perspective, the assessment of public expenditure is very crucial. The present study provides a critical evaluation of trends in revenue and capital expenditure. The paper is presented in a view to show the pattern of changes in public expenditure (trends and patterns separately for revenue and capital) in Uttar Pradesh. Methodology adopted in this paper is double-log regression approach to measure the relationship between government expenditure and state's income, especially, revenue and capital expenditure elasticity. The study finds that there is significant rise in public expenditure and their elasticity in the second sub-period except non-development expenditure and interest payments. The paper finally suggested measures to enhance allocative and technical efficiency of the public expenditure.

**Keywords:** Double-log Regression, Expenditure Elasticity, Growth, Public Expenditure

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## Introduction

Historically, the growth in public expenditures has been well above the growth of non-debt receipts of the States in general (Shome, Sen and Gopalakrishnan, 1996). However, it assumes greater importance in a

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This research paper is a revised form of a chapter of a larger study entitled 'Evaluation of the State Finances of the Uttar Pradesh Government: 2005-05 to 2015-16' carried out by the authors during 2018-19 with the financial assistance from the 15th Finance Commission, Government of India.

# Strategy to Combat the Unintended Non-Performing Loans During COVID-19: An Impact Analysis

Hiteshkumar Thakkar<sup>1</sup>

Sarthak Makkar<sup>2</sup>

Prominder Goyat<sup>3</sup>

## Abstract

COVID-19 – the sorrow of the world, the melancholy of 2020-2021, has not left any sector untouched. It has impacted the world economically and financially. In this paper, we have analysed the economic impact of COVID-19 with a specific attention on Non-performing Loans (NPLs). There has been a catena of policies of Govt. of India to mitigate the impact of the pandemic on Creditors. The reasonable prudent policy would protect a genuine borrower who is not capable pay its due to the adverse effects of pandemic but default can sometimes be intended and deliberate. In this paper we have analysed the probable impact of intended NPL and unintended NPL on the financial system. The objective of the policy makers should be to restrict economy to the efficient NPLs or low risk NPLs. But there can be some evaluating errors and other cross dynamic events which might lead to systemic unintended NPL or moderate risk NPL stage. In such cases, the policy makers should do advanced preparatory planning in order to restrict NPL to moderate risk and not allow the system to reach high risk NPL stage. In this paper we discuss a model which provides framework of intended NPL stage and unintended NPL and the respective consequences of both. Finally, the paper provides policy implication with regards to restraint NPL in the low risk NPL category.

**Keywords:** COVID-19, High Risk NPL Stage, Intended NPL, Low Risk NPL Stage, Non-Performing Loans (NPLs), Unintended NPL

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## Creating, Building and Sustaining an Institution – A Momentous Journey of Institute of Public Enterprise

*By Prof R K Mishra and Dr Geeta Potaraju*



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The book is a much needed chronicling of Institute of Public Enterprise history. Institutions, just like individuals, are ever flowing continuity of which we see just what is now and present. Their historical growth trajectory often gets lost in the nitty gritty of today's challenge. A look back, more so with pride, is not only a fulfilling exercise, but a much needed requirement. It gives those who are associated with the institution not only a sense of history but its *raison d'être*. It is only when one absorbs the present with a historical perspective that one can put the best foot forward to scale the greater heights. Dr. R K Mishra and Dr. Geeta Potaraju's book accomplishes this task with aplomb.

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