

TRILOCHAN KANUNGO
Chairman
State Finance Commission
Orissa



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Dated the 29th September, 2004

To

*His Excellency, the Governor of Orissa,
Bhubaneswar.*

Sir,

The Second State Finance Commission was constituted under Article 243 I read with 243 Y of the Constitution of India on 5.06.2003 by His Excellency, the Governor of Orissa (Vide Notification No. 23896/F, Appendix-I). The Commission started functioning from the 1st July, 2003 and submitted the 1st Report (Interim) meant for the Twelfth Finance Commission to His Excellency, the Governor on 25.09.2003.

The Commission was asked to make recommendations relating to

- (i) The principles of distribution of the net proceeds of taxes, duties etc between the State and Panchayati Raj Institutions and the Municipalities and the allocation between the Panchayats at all levels and the Municipalities of their respective shares of such proceeds,*
- (ii) the determination of taxes, duties etc. which may be assigned to, or appropriated by Grama Panchayats, Panchayat Samities, and Zilla Parishads or, as the case may be, Municipalities,*
- (iii) the grants-in-aid to the Grama Panchayats, Panchayat Samities, Zilla Parishads or as the case may be, Municipalities from the consolidated Fund of the State and*
- (iv) the measures needed to improve the financial position of the Grama Panchayats, Panchayat Samities, Zilla Parishads and Municipalities.*

The Commission have toiled hard to prepare the report as required. I, on behalf of my esteemed colleagues – Sri Nihar Ranjan Hota, I.A.S. (Retd.), Sri Prasanta Kumar Tripathy, I.A.S. (Retd.), Dr. Sudhakar Panda, Professor of Analytical and Applied Economics, Utkal University and Sri Pradeep Kumar Panda, Member-Secretary take the privilege of presenting the Final Report of the Second State Finance Commission in two volumes to His Excellency, the Governor of Orissa this day the 29th, September, 2004 for analysis, appreciation, acceptance and implementation.

I take this opportunity to express my deep sense of gratitude to my honourable colleagues for their uncommon erudition and unfaltering involvement. My thanks are also due to Sri Ramakanta Mohanty, Under Secretary, Dr. Sidhartha Kanungo, Audit Officer-cum-Under Secretary, Sri Baikuntha Bihari Patra, Senior Private Secretary to Chairman, Sri Laxmidhar Satpathy, Private Secretary to Member-Secretary, Sri Prahallad Puan, Section Officer, Sri Sadananda Nath Sharma, P.A. to Chairman, Sri Jugal Krushna Patnaik, P.A. to Member-Secretary, Sri Nrusingha Charan Das, Consultant, Sri Baikuntha Nath Tripathy, Consultant, Sri Subash Chandra Panigrahi, Consultant, Sri Udaya Sankar Nayak, Senior Assistant, Sri Srikanta Kumar Mishra, Senior Assistant, Sri Sudhakar Swain, Senior Assistant, Sri Nrusingha Prasad Das, Senior Assistant, Sri Tarun Chandra Paul, Data Processing Assistant, Smt. Lily Swain, Data Processing Assistant, Smt. Sucheta Ray, Data Processing Assistant, Sri Purna Chandra Sahu, Data Entry Operator, Sri Brundaban Mohapatra, Data Entry Operator, Sri Purna Chandra Mohanty, Sr. Typist, Sri Golak Behari Sahu, Sr. Typist, Sri Niranjan Sahoo, Sri Parikhita Mekap, Sri Kishore Chandra Ratha, Sri Purna Chandra Nayak, Sri Gangadhar Praharaj, Sri Dusasan Mallick, Sri Raj Kishore Rout who have ungrudgingly assisted in collecting, collating, analyzing all data and information and finally bringing out the report. I feel it imperative to place my gratitude on record before His Excellency for perusal and appreciation.

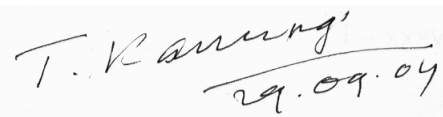
I am extremely grateful to Sri D. P. Dash, IAS and Sri S. S. Patnaik, OFS (SG) former Member Secretaries of the Commission for their deep involvement in furthering Commission's Report and deft handling of the internal administration.

I am also thankful to the Hon'ble Chief Minister, Mr. Naveen Patnaik and his colleague, Sri Prafulla Chandra Ghadai, Minister, Finance, Dr. U. Saratchandran, IAS Principal Secretary and Sri K.C. Badu, IAS, Special Secretary, Finance Department, Government of Orissa for their active co-operation.

I along with my colleagues take the privilege to submit this report for analysis, appreciation and acceptance of the Hon'ble Governor and his Government; Legislature and the general public at large.

I submit.

Yours faithfully,

Handwritten signature of T. Kanungo in black ink, with the date 29.09.04 written below it.

(Trilochan Kanungo)