

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

NOTIFICATION

Bhubaneswar, the 22nd January 2025

Sub: Constitution of 6th State Finance Commission

No. 2470 FIN-BUD6-SFC-0001-2024/F, In pursuance of Article 243-I of the Constitution of India read with Article 243-Y thereof and sections 3 and 8 of the Odisha Finance Commission (Miscellaneous Provisions) Act, 1993 (Odisha Act 28 of 1993), the Governor of Odisha do hereby constitute a Finance Commission as given below :-

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| (i) Sri Arun Kumar Panda, IAS (Retd.); | - Chairman |
| (ii) Prof. Asit Ranjan Mohanty, XIMB; | - Member |
| (iii) Prof. Amaresh Samantray,
Department of Economics,
Pondichery University; | - Member |
| (iv) Dr. Bibhu Prasad Nayak,
Professor, TISS; and | - Member |
| (v) Dr. Satya Priya Rath, IAS
Additional Secretary,
Finance Department. | - Member Secretary |

2. The Chairman and other Members of the Commission including Member Secretary shall hold office for a period of six months from the date of this Notification.

3. The Chairman and other Members (except the Member-Secretary) shall render whole time or part time service to the Commission. The Member-Secretary shall render whole time service to the Commission in addition to his own duties.

4. The Commission shall make recommendations relating to the following matters:-

- (i) The principles that should govern-
 - (a) the distribution between State and 3-tier Panchayati Raj Institutions and Urban Local Bodies of net proceeds of taxes, duties, tolls and fees leviable by the State which may be divided amongst them under Part-IX and Part-IXA of the Constitution and the allocation between 3-tier Panchayati Raj Institutions and Urban Local Bodies of their respective shares of such proceeds;



- (b) the determination of taxes, duties, tolls and fees which may be assigned to, or appropriated by 3-tier Panchayati Raj Institutions and Urban Local Bodies; and
 - (c) the Grants-in-aid to 3-tier Panchayati Raj Institutions and Urban Local Bodies from the Consolidated Fund of the State;
- (ii) the measures needed to improve the financial position of 3-tier Panchayati Raj Institutions and Urban Local Bodies; and
- (iii) any other matter, which the Governor may refer to the Commission in the interest of sound finance of 3-tier Panchayati Raj Institutions and Urban Local Bodies.

5. In making its recommendations, the Commission shall have regard, among other considerations, to:-

- (a) the revenue proceeds of the State Government and the demands thereon, on account of expenditure on Civil Administration, Police and Judicial Administration, Education, Maintenance of Capital assets, Social Welfare, Debt Servicing and other committed expenditures and liabilities;
- (b) the functions and liabilities of 3-tier Panchayati Raj Institutions and Urban Local Bodies in respect of discharging and implementing the schemes entrusted to them under articles 243G and 243W of the Constitution;
- (c) the revenue resources of 3-tier Panchayati Raj Institutions and Urban Local Bodies for five years, commencing from 1st April, 2026 on the basis of levels of taxation reached in 2023-24, target set for additional resource mobilization and potential for mobilizing additional resources;
- (d) the scope for better fiscal management consistent with the need for speed, efficiency and cost effectiveness of delivery of services; and
- (e) the need for providing adequate incentive for better resource mobilization as well as closely linking expenditure and revenue raising decisions.

6. The report of the Commission shall contain specific chapters, narrating, -

- (i) the approach adopted by it;
- (ii) an analysis of the resources of the State Government;
- (iii) an analysis of the resources of 3-tier Panchayati Raj Institutions and Urban Local Bodies and make concrete recommendations for improvements; and

- (iv) an estimation and analysis of the finances of the State Government as well as 3-tier Panchayati Raj Institutions and Urban Local Bodies at the pre and post transfer stages along with a quantification of the revenues that could be generated additionally by 3-tier Panchayati Raj Institutions and Urban Local Bodies by adopting the measures recommended therein.
7. For the purpose of assessment of supplementing the resources of 3-tier Panchayati Raj Institutions and Urban Local Bodies by the Central Finance Commission, the Commission shall -
- (i) follow a normative approach in the assessment of revenues and expenditure rather than make forecasts based on historical trends;
 - (ii) take into account per capita norms for revenue generation, the data relating to the tax bases and avenues for raising non-tax income by 3-tier Panchayati Raj Institutions and Urban Local Bodies, assuming reasonable buoyancies and the scope for additional resource mobilization; and
 - (iii) take into account per capita expenditure norms on the basis of the average expenditure incurred by some of the best performing Panchayati Raj Institutions and Urban Local Bodies in the provision of core services.
8. Commission shall also review implementation of the recommendations of Fifth State Finance Commission.
9. On the matters aforesaid, the Commission shall make its report within a period of six months from the date of publication of this Notification covering an award period of five years commencing from 1st day of April, 2026.
10. Commission shall indicate the basis on which it has arrived at its findings.

By order of the Governor

(Saswata Mishra)

22.01.2025

Principal Secretary to Government

Memo No. 2471 **/F., Dated** 22.01.2025

Copy forwarded to the Director, Printing, Stationery and Publication, Odisha, Madhupatna, Cuttack for publication of the notification in an extraordinary issue of the Odisha Gazette today. This notification is statutory and as such bears SRO Number.

He is requested to supply 100 copies of the notification to the Government in Finance Department immediately.

Joint Secretary to Government

Memo No. 2472 **/F., Dated** 22.01.2025

Copy forwarded to PS to Hon'ble Chief Minister/ OSD to Chief Secretary/all Secretaries/all Heads of Departments/I & P.R. Department (Public Information Cell) for favour of kind information and necessary action.

Joint Secretary to Government

Memo No. 2473 **/F., Dated** 22.01.2025

Copy forwarded for favour of kind information and necessary action of

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| 1. Sri Arun Kumar Panda, IAS (Retd.) | - Chairman |
| 2. Prof. Asit Ranjan Mohanty, XIMB | - Member |
| 3. Prof. Amaresh Samantray,
Department of Economics,
Pondichery University | - Member |
| 4. Dr. Bibhu Prasad Nayak,
Professor, TISS | - Member |
| 5. Dr. Satya Priya Rath, IAS
Additional Secretary,
Finance Department | - Member Secretary |

Joint Secretary to Government

Memo No. 2474 **/F., Dated** 22.01.2025

Copy forwarded to all RDCs/Collectors for favour of information and necessary action.

Joint Secretary to Government

Memo No. 2475 **/F., Dated** 22.01.2025

Copy forwarded to all Officers/all Branches of Finance Department for information and necessary action.

Joint Secretary to Government

Memo No. 2476 **/F., Dated** 22.01.2025

Copy forwarded to Sub-Nodal Officer, E-Gazette, FID, Finance Department for hoisting this notification in official website of Finance Department.

Joint Secretary to Government