

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

No. -

11924

/F

Dated

19.04.2023

FIN-BUD6-SFC-0001-2022

From

Sri Tarakanta Bhakta,
Deputy Secretary to Government

To

The Principal Secretary to Government,
PR&DW Department/H&UD Department
All RDCs / All Collector & District Magistrates


**Sub: Supply of modification to Action Taken Report on the Recommendations of
Fifth Odisha State Finance Commission**

Madam/Sir,

I am directed to invite a kind reference to the subject cited above and to say that the modification of the provision under para 6.6 of the Action Taken Report (ATR) on the recommendations of Fifth State Finance Commission regarding Assignment of Taxes out of State Goods and Services Tax (SGST) in lieu of Entry Tax for Panchayati Raj Institutions (PRIs) in order to accommodate the salary and other establishment charges of DRDA employees after their merger with the Zilla Parishads has been laid in the Odisha Legislative Assembly on 10.03.2023.

A copy of the modification to Action Taken Report on the Recommendations of Fifth Odisha State Finance Commission is attached herewith for kind information and necessary action.

Yours faithfully,


19/04/2023
Deputy Secretary to Government

P.T.O

Memo No 11925

Dated 19.04.2023

Copy along with copy of the modification to Action Taken Report forwarded to Principal Accountant General (A&E), Odisha, Bhubaneswar for kind information & necessary action.


 19/04/2023

Deputy Secretary to Government

Memo No 11926

Dated 19.04.2023

Copy along with copy of the modification to Action Taken Report forwarded to Principal Secretary to Hon'ble Governor, Odisha / Additional Secretary to the Chief Minister, CMO, Lok Seva Bhawan for kind information.

 19/04/2023

Deputy Secretary to Government

Memo No 11927

Dated 19.04.2023

Copy along with copy of the modification to Action Taken Report forwarded to PS to Hon'ble Minister, Finance / PS to the Chief Secretary, Odisha / PS to DC-cum-ACS / PS to the Principal Secretary, Finance for kind information of the Hon'ble Minister, Finance / the Chief Secretary, Odisha / DC-cum-ACS / Principal Secretary, Finance.

 19/04/2023

Deputy Secretary to Government

Memo No 11928

Dated 19.04.2023

Copy along with copy of the modification to Action Taken Report forwarded to Director, Panchayati Raj, Panchayati Raj & DW Department / Director, Municipal Administration, H&UD Department for kind information & necessary action.

 19/04/2023

Deputy Secretary to Government

Memo No 11929

Dated 19.04.2023

Copy along with copy of the modification to Action Taken Report forwarded SS-II / Works-I Branch of Finance Department / Sub-Nodal Officer (E-Gazette), Finance Information Division, Finance Department for information and necessary action.

 19/04/2023

Deputy Secretary to Government

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S. T.K. Pattanayak
Sub-Nodal Officer, FID



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GOVERNMENT OF ODISHA

**MODIFICATION
TO
ACTION TAKEN REPORT
ON
THE RECOMMENDATIONS OF
FIFTH
ODISHA STATE FINANCE COMMISSION**

**FINANCE DEPARTMENT
FEBRUARY, 2023**

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

Subject: Modification of the provision under para 6.6 of the Action Taken Report (ATR) on the recommendations of Fifth State Finance Commission regarding Assignment of Taxes out of State Goods and Services Tax (SGST) in lieu of Entry Tax for Panchayati Raj Institutions (PRIs) in order to accommodate the salary and other establishment charges of DRDA employees after their merger with the Zilla Parishads.

The Explanatory Memorandum on the Action Taken on the recommendations of the 5th State Finance Commission covering a period of six years (i.e 2020-26) was laid in the 3rd Session of the 16th Odisha Legislative Assembly on 17.2.2020, in pursuance of Article 243-I (4) and 243-Y (2) of the Constitution of India.

2. The State Government in PR & DW Department vide Resolution No.10025/PR&DW Dt. 03.06.2022 on "Empowerment of Zilla Parishads by merger of functions and office of District Rural Development Agencies (DRDAs) with Zilla Parishads and abolition of DRDAs in the State of Odisha" have been pleased to merge the functions and Office of DRDAs with the respective Zilla Parishads in districts and abolish the present structure of DRDAs with effect from the date of its publication in the Extraordinary Issue of the Odisha Gazette vide Notification No.1982 Dt. 9.6.2022.
3. As per the stipulations of the said Resolution, the salaries and non-salaries expenditure of all the regular employees of Zilla Parishads after merger of DRDAs will be met out of a single Demand Head of Zilla Parishad.
4. After merger of DRDA with Zilla Parishad the expenditure under the salary head of Zilla Parishad have increased thereby exceeding the ceiling of normative recommendations of the Commission.
5. That, at the time of finalization of the Action Taken Report on the Recommendations of the 5th State Finance Commission, the above contingencies could not be anticipated as there was no scope at that time.

6. As per the provisions of para 6.6 of the Action Taken Report "Assignment from SGST in lieu of Entry Tax for Panchayati Raj Institutions and Urban Local Bodies towards Salary and Establishment cost, Sitting Fee, Honorarium, TA&DA are to be in accordance with the normative recommendations of the Commission."

7. Now, therefore, after careful consideration of the above facts and circumstances, the para 6.6 of Action Taken Report on the recommendations of the 5th State Finance Commission is modified to that extent with the following paras:

- (i) Assignment from SGST in lieu of Entry Tax for Panchayati Raj Institutions (PRIs) towards Salary and Establishment cost, Sitting Fee, Honorarium, TA&DA are to be on the basis of actual requirement which may exceed the normative recommendations of 5th State Finance Commission; and
- (ii) Assignment from SGST in lieu of Entry Tax for Urban Local Bodies towards Salary and Establishment cost, Sitting Fee and Honorarium are to be in accordance with the normative recommendations of 5th State Finance Commission.

Bhubaneswar

Dated the 23rd February, 2023

N. Pujari

Niranjana Pujari

Minister, Finance