

Minutes of Meeting of the 5th State Finance Commission, Jharkhand on 07.01.2025 at 3.00 PM in the Conference Hall of Development Commissioner, Yojna Bhavan, Nepal House, Doranda, Ranchi.

The meeting was chaired by Sri A. P. Singh, IAS (Rtd.), Chairman of the 5th SFC and attended by Sri Vinay Kumar Choubey, IAS, Principal Secretary, Department of Panchayati Raj, Dr. Harishwar Dayal, Member, 5th SFC, Ms. Nisha Oraon, Member, 5th SFC cum Director, Department of Panchayati Raj and Sri. Shailendra Kumar, Deputy Director, Department of Panchayati Raj.

- 1) In his opening remark, the chairman told the participants the purpose of the meeting.
 - i. He said that the commission is eagerly waiting for the memorandum from the department of Panchayati Raj of the state.
 - ii. He enquired about the status of the delegation of functions to the PRIs. He asked about the number and the types of functions that have been devolved to the PRIs of the state.
 - iii. He said that according to the recent report of the RBI on **Finances of Panchayati Raj Institutions (RBI, January, 2024)**, only 18 of the constitutionally recommended (mandated) 29 subjects (mentioned in the 11th Schedule of the constitution) have been devolved to the PRIs in the state, while states like Haryana, Himachal Pradesh, Karnataka, Kerala, Maharashtra and Sikkim have devolved all the 29 subjects to the PRIs. He enquired about the number and types of functions that have been actually devolved and for which departmental notifications have been issued. He also wanted to know about the functions being performed by the PRIs.
 - iv. He also enquired about the status of the training programme of the elected representatives and other functionaries of the Panchayats.
 - v. He also wanted to know about the status of the OSR (Own Source of Revenue) rules of the state.
 - vi. He also wanted to know about the functioning of standing committees as envisaged under the act at all the levels of PRI
- 2) The Director, Department of Panchayati Raj informed the participants about
 - i. The ongoing **People's Plan Campaign**. She said that most of the functions mentioned in the 11th Schedule of the constitution have been devolved to the PRIs in the state.
 - ii. She said that the Panchayats in the state do not raise any revenue because **OSR rules have not yet been notified** in the state. However, the **Zila Parishads (ZPs) have the right to approve maps** for buildings constructed in their jurisdiction and collect fees for the same.
 - iii. About the training of the elected representatives, she said that for this purpose the District **Panchayat Resource Centres (DPRCs)** have been constructed in all the districts of the state under the Rashtriya Gram Swaraj Abhiyan (RGSA) and they are functional. **A regional training centre is functional** in the Deoghar district of the state.
 - iv. She mentioned that except Forest, Environment and Climate Change rest of the 13 departments have at least issued the notification/ resolution.


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- 3) The chairman said that the functions devolved to the panchayats appear to be non-substantive; for example, funds and functionaries are normally not devolved.
- i. He said that the limitations and gaps in the devolution of power to the PRI should be properly studied. The department may **get the study done** on the devolution of power along with its actual implementation and its impact on public by some competent/reputed organisation.
 - ii. He said that the mapping report on the status of the implementation of the delegation of power and functions to the PRIs should be prepared by the department of Panchayati Raj to understand how many of the 29 subjects are covered. Are few items being covered by more than one department? If so, it may be communicated separately.
 - iii. He also asked the officials of the Department of Panchayati Raj to find out the status of the devolution of functions in the neighbouring states of Chhattisgarh and Odisha. Like Jharkhand, these states are also 5th schedule states.
 - iv. The Department of Panchayati Raj may take status of the implementation of the delegation of power and its impact by the respective departments.
 - v. The Department of Panchayati Raj may seek reports from the DCs/DDCs about awareness of delegated power among the PRIs and head of the departments at the district and below level.
 - vi. The Department of Panchayati Raj may inbuilt training calendar and curriculum to ensure interaction with the officers of respective departments and their counterparts of the PRI, eg: ZP with district-level officers, Panchayat Samiti with Block-Level and GP with GP level functionaries.
 - vii. The department should work **towards formulation of OSR rules for the PRIs**. While framing such rules it should find out the OSR rules prevalent in other states like Odisha, Chhattisgarh, and Andhra Pradesh.
 - viii. He said that efforts should be made to make the **standing committees of the PRIs functional**. The PRIs should become truly functional as a unit of local self-government only when the standing committees become functional and effective.
 - ix. He said the training module for the training of the members of standing committees should be prepared.
 - x. More participation of Members of Executive Committee in decision making may make the system more effective.
- 4) The Director, Department of Panchayati Raj, had come with the interim reports of the department. The chairman requested her to submit it with a covering letter. She promised that other information/documents required by the commission will be submitted soon.
- 5) The chairman asked the officers of the department to nominate nodal officer soon. This officer should remain in constant contact with the SFC.
- 6) MoPR and its portal may be updated with the activities of the department of Panchayati Raj.
- 7) Following documents may be supplied to SFC:
- i. Resolution/order by which ZP are authorized to approve building construction maps.
 - ii. ZP wise revenue collection under different heads in at least last three years, i.e., 2021-22, 2022-23 and 2023-24.

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- iii. Circular and government order under which without OSR, ZPs are realising revenue other than 7 (i). Are they implemented universally in all the districts?
- iv. Is mines department sharing some revenue from the minor minerals with PRIs?
- v. Similarly, is the Forest department sharing some revenue with the ZP?
- vi. Has the department interacted with the Department of Mines and Geology on DMFT fund and on the role of PRI?
- vii. Is there any provision in PRA Act 2001 to get surcharge on stamp duty, sharing of professional tax and surcharge on electricity duty?
- viii. What is the status of transparency measures that exist in the department to address public grievances and other modal provisions as Right to Service Act, Right to Information (RTI), Social Audit etc.?
- ix. The department has been again requested to address issues mentioned in the last reminder vide letter no. 241 dated 10.12.24.
- x. Copy of all the acts and rules should be made available to the commission.
- xi. The department has assured that all the issues will be taken on priority to assist the SFC to finalise at least the first report to enable department to access the grants of the 15th CFC.


(Harishwar Dayal)
Member

State Finance Commission

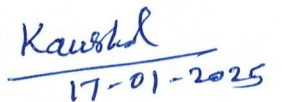

(Amrendra Pratap Singh)
Chairman

State Finance Commission

Memo No.-17/P.R. शाठ

CC: Secretary, Department of Finance/ Principal Secretary, Department of Panchayati Raj,
Director, Department of Panchayati Raj.

Ranchi, Dated 17.01.2025


17-01-2025

Dy. Secretary
State Finance Commission,
Jharkhand, Ranchi