

Telangana Panchayat Raj Dept Denies Fund Diversion Claims

Telangana's Panchayat Raj and Rural Development Department refuted allegations of diverting 15th Finance Commission funds.

The Finance Commission is a constitutional body established under Article 280 to define the financial relations between the Union government and state governments.

KEY EXAM POINTS

- The **Telangana Panchayat Raj and Rural Development (PR&RD) Department** rejected allegations of diverting **15th Finance Commission** grants.
- Allegations claimed funds were used for **electricity bills** and **staff salaries** instead of **development works**.
- PR&RD **Commissioner D. Divya** stated that the claims were “factually incorrect.”
- Media reports cited **Union Minister of State for Home Affairs Bandi Sanjay** regarding the diversion allegations.
- The department affirmed that the grants were properly utilized for their intended **development purposes**.

STATICS & SYLLABUS FOCUS

The **Finance Commission** is a **constitutional body** established under **Article 280** of the Indian Constitution.

Its primary function is to recommend the distribution of **tax revenues** between the Union and states (**vertical devolution**) and among states (**horizontal devolution**).

The Commission also recommends principles governing **grants-in-aid** to states from the **Consolidated Fund of India**.

The **President of India** constitutes the Finance Commission every **five years** or earlier.

The **First Finance Commission** was constituted in **1951** with **K.C. Neogy** as its **Chairman**.

The **15th Finance Commission** was constituted in **2017**, chaired by **N.K. Singh**.

Its recommendations cover the period from **2021-22** to **2025-26**.

The recommendations of the Finance Commission are **advisory** in nature but are usually accepted by the government.

REVISION FLASHCARD

Finance Commission is a constitutional body under Article 280 for Union-state financial relations.

Syllabus Relevance: High

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