

DECODING FEDERALISM IN INDIA

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Abstract

In this paper it has been established that how the system of federalism works in Indian system also how this system making Indian federal into quasi-federal. Here, the federation of other democratic countries like USA and Canada has also been touched to show the difference between Indian federation and their federation. This paper also throw light upon that who are the governing bodies in this country. It has been emphasized upon distribution of powers among legislative, administrative bodies in India. It shown that when and by what procedure the Union can make any laws for whole territory or for any State. Also, it has been discussed the interference of the Union over the State and what are the doctrines and principles under the Constitution of India which put restriction upon them. It is also shown here that in case of emergency how shall the Union have to act. This paper also focuses on that under circumstances the Union can go for agreement with international parties. It also discusses that how the subject matter for making legislation is been enlisted into three list. The paper also assesses the administrative relation between the Union and the State. Wherein it shows that how the Union can exercise its power over the State. This also emphasizes on, that how disputes can resolve if it arises between two the States. This paper also lays down on the fiscal relation between the State and the Union in which it has been discusses that how the taxes are levied and assemble by Union and by State. In situation of financial emergency how the Union should assist the State. This paper also analyses on the constitution of Finance Commission. Herein, some aspects of GST and 101st constitutional amendment has also discussed.

Issues Dealt: In this paper, researcher deals with mainly two issues- which are:

- i) How the Union and States disperse legislative, financial and administrative power between them?
- ii) What are the provisions and doctrines in Constitution of India which put bars on them?

Paper is based on qualitative research where researcher uses explanatory ways to reach the answer of the aforesaid issues raised. The research is drawn from the secondary materials taken from authenticated sources such as repository and Journals of various National law Universities and judgements of SC and HCs in India. Apart from those, opinions from the authors of famous books, like of Dr. Myneni, V.N Shukla, D.D Basu and others, are also referred.

Key Words: Legislative Power, Administrative Power, Financial Power, Concurrent List, State List, Union List, Federalism, Emergency, GST.

Introduction:

Dr. B.R. Ambedkar quoted, “*The States are as sovereign in the field which is left to them by the Constitution as the Centre in the field which is assigned to it.*”¹

As we know that India is one of the countries, which has huge political, social economic, cultural and many more aspects. This is a reason, here, federal structure has to be followed where the powers of states and the Union are shared between themselves. Apart from this, it follows this system sleekly the Indian constitution establishes the dual administration system. In constitution Part XI contains of two chapters which defines the connection between states and the Union i.e., legislative relation, administrative relation respectively and in Part XII, the financial relation is defined. The former establishes that how the Union make laws for whole territory and how does the State have compliance with the laws made by the State. It is also that in case of emergency what will be effect on the laws which are made by the States. And the later establishes that how financial system works in our country. The Union has to support the States if they needed financially. The levy, collection and appropriation of taxes is also a crucial effort for the centre and States. The provisions in these respective chapters clearly lays down that what power does the Union have and what power the States have and what if there is conflict. The Indian system is neither complete federal nor it is complete unitary. It is combination of both federal as well as unitary. Here, there is federal structure but with unitary sprit. The interesting thing is that if we see the article (1)(1) of our Indian constitution it expresses as, India which is also known by ‘Bharat’ shall be considered as incorporation of states². There is nowhere mentioned about federation. Then also, we have a centre, so this is the way where, India is considered as amalgamation of two, unitary and federal system.

If we peep into the American Constitution, the power is vested in the hands of “Federation” subject to those which are prohibited by the constitution to States. If we compare with the structure of the Canada, the powers are divided between the Dominion and the Provinces. There is also enumeration of residuary power which vested in the Dominion. So, when the our i.e, Indian constitution was being drafted the machinery of constituent assembly must have adopted some aspects of allocation

¹ Harshita Gulati, Distribution of Power between Centre and State, Oct. 07 2021, <https://lawctopus.com/clatalogue/du-llm/distribution-of-power-between-centre-and-state/>.

² Indian Const. Art. 1.

of power between the States and Union. These things get clearer when we look into the dispersion of powers between union and the states.

LEGISLATIVE RELATION BETWEEN UNION AND THE STATES

In Constitution chapter one from article 245 to 255 of Part XI describe the legislative relation between union and states. As, we know that, generally, the higher law-making body in India is Parliament and the state legislature make laws for their particular state. The 7th schedule of constitution, there are 97 subjects on which Union can make list, 66 matters on which the states can legislate and 47 matters on which union and states can both make the laws.

Territorial Jurisdiction.

Article 245 of constitution defines the territorial jurisdiction, in which clause (1) describe that parliament can make laws all over of India and the law-maker body of the State can draft the laws only for their respective states. In clause (2) of the article there is mentioned about extra-territorial operation. Under this provision it is been tried to show that if the parliament makes the law on subjects which don't falls under territory of India, it shall not be inoperative on account that it is of extra-territorial.¹ Here, a doctrine comes into the play which **doctrine of territorial nexus**.

This doctrine says that, the parliament can draft laws on matters which are outside the territory of India, but this can be possible only when the subject matter has legitimate nexus with Indian periphery. The state legislature cannot invoke this doctrine.² In other words, that those laws constitute which are made by the parliament will administer not only subjects within the territory of India but also on Indian subjects' denizen and property settled anywhere across the world³. In case of **State of A.P v. NTPC Ltd** the opined that for invoking the doctrine of nexus the relation between the State and subject-matter should be real and it must not be illusory⁴.

In case of **Shrikant Bhalchandra Karulkar and Ors v. The state of Gujarat and Ors**⁵, the hon'ble SC said that the state cannot be treated to have extra-territorial action when the laws of enforced law and subject matter have reasonable link. Meanwhile, it has two requisites to be satisfied:

1. The connection should not be an imaginary one but real,
2. Charges invokes by such instrument must be applicable to the connection.

Subject Matter Jurisdiction:

The **article 246** of the constitution talks about the subject-matter jurisdiction i.e., on which subject parliament can make the law and on which subject matters the state law maker can make the laws. 246(1) says that, Parliament has exclusionary power to legislate on matters which are complicated in List I in the Seventh Schedule, which is also called "**Union List**". Important subjects of this list are viz., foreign affairs, defence, currency and coins, census, atomic energy, railway, war and peace, natural resources, citizenship, election etc.⁶

Clause (2), talks about List III which is, "**Concurrent List**" which states that the both the centre as well as the state legislature can make the laws. Main subjects of this list are viz. criminal code, preventive arrest, marriage and divorce, contempt of court, protection of forest, birds and wild animals, education etc⁷. Clause (3) of the article talks about those subjects matter on which only the legislature of state can draft the laws, and those subject matters are enumerated in List II in the 7th Schedule which is, "**State List**". Main subjects of this list are viz., state judicial charges, police, liquor, library, economic aid to limbless, means of communication, animal husbandry, agriculture, water supply, irrigation and canals.⁸ Apart from these lists, there is also "**Residuary Powers**" those are vested in hand of Union under **article 248** of the Indian constitution. According to said article, Union has competency of making laws and imposing tax on any subjects-matter which are not enveloped under Concurrent list and state list.⁹

The doctrine of "Colourable Legislation"

As, we know that we have separation of power in our constitution in which every organ of the government which are Executive, Judiciary and Legislature have to exercise their respective power in their own sphere without interfering into the perimeter of another. In order to put limit on law making body, there is doctrine of 'colourable legislation'. As per doctrine lays down that, neither the federal nor the State Legislature has the discretion, under the colourable exercise of its own powers, to nullify by implication or expressly, statutes which it could not enact.¹⁰ What cannot be done directly, cannot be done indirectly.¹¹ The idea behind the notion of "colourable legislation" is that no law can contravene a constitutional provision by using an unethical method. In other words, one cannot use a constitutional right to further an unconstitutional end. The way a law is written won't protect it from punishment if the substance of the topic is outside the scope of what the legislature can act on. This doctrine simply means limiting the competency of law-making body in making the laws.

¹ India const. art. 245.

² Snegapriya V.S., -The Doctrine of Territorial Nexus, Apr. 30th 2021, <https://lawcorner.in/the-doctrine-of-territorial-nexus/>.

³ Dr. S.R. Myneri, Constitutional Law II, P.No. 315, 4th Edition, Asia Law House, 2022.

⁴ 2002 5 SCC 203.

⁵ 1994 SCC 5 459.

⁶ India const. seventh sched., List I.

⁷ India const. seventh sched., List III.

⁸ India const. seventh sched, List II.

⁹ India const. art. 248.

¹⁰ Vol. 8, Durga Das Basu, Commentary on The Constitution of India, P. No. 8679, 8th, LexisNexis Butterworths Wadhwa Nagpur, 2012.

¹¹ G.W. Saddlery v. The King, 1921 AC 91.

The S.C in the matter of **M.R. Balaji Vs. State of Mysore**, decided on a petition challenging an order issued by the Mysore Government by which the government reserved 68% seats for admission in the state educational institutions for the classes which are socially and educationally backward and for Scheduled Tribes and Scheduled Castes. The apex court opined that the order of the Government was not in line with the Constitution as it does not allow for any government to make reservations without considering all the relevant factors aside from the basis of caste and thus, the order was held unconstitutional.¹

The doctrine of “Pith and Substance”

This is another doctrine that can make impact over the power of the legislation. The word ‘pith’ means ‘the essential part’ of something. So, it can be concluded that to when there is a need to determine the essentials or true nature of any law, the ambit of this doctrine will be invoked. This doctrine deals with Article 246 which in turn demarcates the subjects upon which the Union and State government can make laws by virtue of 3 lists. When there arises a question about the competency of enactment of any law which is made and whose subject has been given in these three lists, this article shall be invoked. To deal with this matter, the Court must investigate the ‘substance’ of such enactment and upon finding that the framers were qualified in passing such law, the statute must be held valid.² This doctrine is against any illicit exercise of legislative power.

Moreover, in the case of **Vinodchandra Sakarlal Kapadia v. State of Gujrat & Ors.**, it was observed that the applicability of this doctrine shall arise when there is a challenge on the capacity of legislature in conformity to a particular legislation and its position in the above mentioned three lists. In case of such challenges, the Court shall ascertain the ‘pith’ and ‘substance’ of the law and in this process, it is imperative to analyse the absolute nature of that law, viz., its scope, its object and effect. This is done to determine whether the impugned communication is categorically referable to the allotted area of legislation under the Constitution to the respective legislature.³

Article 247, talks about the efficacy of parliament to provide for the setting-up of certain additional court for the better governing. But this institution of further court should be as per the law made by the Parliament.⁴

When Union can make laws for the State:

Emergency is a situation where massive control may be needed to protect the country or national concern. According to the **art, 249**, with 2/3rd majority of present and voting member the Rajya Sabha can pronounce any State constituents as a matter of sovereign interest by passing a bill. In such circumstances, union gets the rights to scaffold laws on this subject for period of one year. Such laws can sustain in force maximum after 6 months from the end of such recommendation.⁵

Under **article 250(1)**, the Parliament can draft laws for the entire or any part of the territory of India in accordance with any matters enlisted in the State list, while the emergency is in proclamation. Under **clause (2)**, the law made by parliament for the state in emergency, will die till the effect on the elapsing of a period of six month after the emergency proclamation has cease to enforce.⁶

In **article 251**, it is shown that in situation where the laws legislated by the parliament for the state under article 249 and 250, and when a situation arises that there are discrepancies between the law drafted by parliament and the State legislature, then as per this provision the law made by the parliament shall govern. But this law will last long till the law made by Parliament survive to have effect.⁷

Under **article 252**, when two or more than two State legislature, with their consent, pass a resolution to make the law for the matter which are enlisted in State list to the Parliament, the parliament is allowed to touch the State matters, which is generally not allowed.⁸

Legislative Powers in matter of international relation

Article 253, says that when there is matter which is in relation with internationally, then the Parliament is allow to make the laws for enforcing any , agreement, treaty, and convention with any other countries.⁹

In case of **Sri Krishna Sharma v. State of West Bengal**, the hon’ble court opined that the ratification of treaties is not required by the Parliament. However, they do not operate automatically. The Parliamentary legislation will be required to implement the provisions of treaty. But the laws which will make the treaty’s provision enforceable that to should be subjects to the constitutional limits i.e., it should violate the fundamental rights.¹⁰

In case where there is dispute between the laws made by the Parliament and the State

Article 254, clause (1) deals with the situation where there is divergence between the laws legislated by the parliament and the State body. In such matter, the law made by the Parliament shall dominate and the law drafted by the State shall be inoperative. Where, clause (2) says that when the law makers of a State make a law on any subjects that is enlisted in Concurrent List and if

¹ Shivani Chauhan, Study Notes: Doctrine of Colourable Legislation, Apr. 7, 2023, 9:29 PM, <https://legal-wires.com/lex-o-pedia/study-notes-doctrine-of-colourable-legislation/>.

² Doctrine of Pith and Substance, Issue 01, Issue 01, 2021, https://www.wallcliffslawfirm.com/uploads/newsletter-files/2021030317330846574-Legal_Angle_-_March_2021_-_Issue_01.pdf.

³ 2020 18 SCC 144.

⁴ India const. art. 247.

⁵ India const. art. 249.

⁶ India const. art. 250.

⁷ India const. art. 251.

⁸ India const. art. 252.

⁹ India Const. Art. 253.

¹⁰ AIR 1954 SC 591.

there is existing law on that matter which was made by the Parliament then in such situation the law made by the law makers of State shall have dominion effect, if the law has been received the assent of the Parliament.

The proviso clause of the article says that, the Parliament is barred from enacting any law at any time, in accordance with matters which are mention in clause (2), including amendment, varying or repealing the law which is made by the Legislature of State.¹

ADMINISTRATIVE RELATION BETWEEN UNION AND THE STATES

In our constitution, in chapter II of Part XI from article 256 to 263 there is mention about the administrative relations between Union and the State. The administrative or policy-making relation may also describe under two situations i.e., what are the administrative power to union and the state in normal condition and how is changes during emergency. Generally, in matters of administrative relation between union and the state in India, the Union is vested with more power as compare to the State.

Obligation of the State

As we have discussed earlier that, the centre can make laws for entire territory of India, which of course include the States. As per **article 256**, it shall be task of the executive power of that state, where the law made by the centre is pertinent, to exercise its power in conformance with the laws made by the centre. And in second part of the article, it is said that executive power of the centre can give guidelines to the State as seems to the Indian government to be required for thar purpose.²

In matter of *A.D.M Jabalpur v. Shiv Kant Shukla*³, the *obiter dicta* of the hon'ble court that no court can look a matter at the accounts of a private party that Article 256 has not been adhered with by state government. Hence, if the direction of Union to the state is not complied with by the State, a private party will have no cause of action on account of such default.

Oversight of the Union over the States in certain cases:

By virtue of **art. 257**, is one of the important articles of this Chapter. This article deals with the regulation of the centre over States in some cases. The predominance of the centre over the States can be seen from this provision of the Constitution. Clause (1), of the article is quite similar to the article 256, which talks about that the State's executive power must respect the exercise the executive power of the centre and centre can give the directions to the State if it is required.

Clause (2), of the article talks that the Union can also give direction to the State in matters which is of national importance viz. construction and maintenance of the communication. The proviso clause of this clause (2), says that the Parliament has discretion to announce any waterways or highways as national waterways or highways, respectively. The Union will also have control over the matter of means of communication of military, naval and working of air force. Whereas, the clause (3), says that the Union executive shall also have power to confer direction to State in matter of protection of railway within that particular State.

Clause (4), of the article talks about the manner in which the State will follow the directions given under clause (2) and (3). This says that the Union has to pay the State in matter of maintenance or construction of any means of communication and protection of railways. And in case of default in agreement, the arbitrator who will be chosen by Chief Justice of India, shall decide the sum in respect of the additional expenses so incurred by the State.⁴

How the Union executive shall exercise its power over the State?

In **Article 258**, Clause (1) it is stated that the Union shall perform its power over the State through the office of governor of the State.⁵ By virtue, **article 258A**, the State have discretion to entrust its power to the Union in regards to matters to which the executive power of the State expands.⁶

Is public Act, judicial proceedings and recording binding upon the Union and the State?

Article 261, clause (1), says that public act, judicial course of action and public records of the Union and the State must be given full confidence and assurance to the whole territory of India. Clause (2) says that whatever specified in clause (1) shall be established as per the law made by the Parliament. Clause (3) describes that judgements or orders which are passed by civil court in boundary of India, shall be competent of execution anywhere, in the territory.⁷

Disputes relating to Waters:

The parliament has full dominance in matter of the distribution, use or control, of water any in inter-State rivers or river valley. Not only this, no court even Supreme court are not allowed to entertain any dispute or complaint regarding the water dispute.⁸

In matter of *State of Haryana v. State of Punjab*⁹, there was a dispute regarding to the planning of Sutlej-Yamuna Link Canal in the states of Punjab and Haryana. But in this case, it has been held that just matter of "construction" of canal is not an inter-water dispute within the article 262 of the Constitution of India. Hence, it is just a civil suit which is not barred.

¹ India Const. Art. 254.

² India Const. Art. 256.

³ AIR 1976 SC 1361.

⁴ India Const. Art. 257.

⁵ India const. art. 285.

⁶ India const. art. 258-A.

⁷ India const. art. 261.

⁸ India const. art. 262.

⁹ AIR 2002 SC 685.

There were recommendations of Sarkaria Commission report in some guidelines were there regarding the water disputes:

- a) "The Union Government shall be required to establish a board within a time frame not to exceed one year from the date of notice of any contender State's application if it receives one under Section 3 of the Inter-State River Water Disputes Act, 1956. For this reason, the said Act may be appropriately modified.
- b) The aforesaid Act should be changed to give the central Government the authority to create a board on its own initiative, if it required, when it determines that a legitimate conflict exists.
- c) There must be an information system and Data Bank at the national level and competent body must be established for this view as soon as possible. There must be a regulation in the said Act, that State must be required to provide requisite information for which purpose the board may be handed with discretion of a Court.
- d) The said Act ought to be changed to make sure that a board's decision takes effect five years after the tribunal was established. However, the central Government may, upon a request made by the Tribunal, expands its tenure if the board determines for some reason that the five-year period needs to be prolonged.
- e) The said Act, 1956 must be changed so that a board's grant has the same impulse and put sanction behind it as an order or decree of the Supreme Court to make board's decisions really effective".¹

Co-ordination between States

In case where the any discrepancies arise in two or more than two states and if it is matter of public interest then by virtue of **article 263** the President, by passing an order, may constitute a Council to serve following function:

- a) To make inquiring and to direct upon the conflict which may have appear among the States;
- b) To discuss and investigate the matters in which States have to stands on same notion;
- c) To investigate and deliberate the subjects in which the Union and one or more of the States have common note;
- d) To make recommendation upon any matter to make better co-ordination between the States.²

FINANCIAL RELATION BETWEEN UNION AND THE STATES

Finance is one of the most crucial subjects for any country or any state, the most of the things are depended upon this subject. Because the economic growth rate of a country is determined by that, how is the body financially stable. Every person in this country pays the taxes, either it is indirect taxes or it is direct taxes. And these taxes credited into the account of government, be it the Union or State government. So, how these taxes are dispersed among the Union and the States we will see in this chapter. To control the finance of the country like India, where there is the federal nature, one needs a strong centre and cooperative States. In matter of finance also the Union have supremacy over the States. Let's see what the provision which are mentioned in the Constitution of India.

Who can levy or collect the tax?

We have heard many a times that this much of the taxes are being levied, levy simply means to power to impose the tax lawfully, so which is body responsible to levy the taxes or to collect the taxes? The answer to this question is given in **article 265**, the Indian Constitution, lays that, the tax shall collect or levy by the authority of law.³ In case of **S. Goapalan v. State of Madras**, the SC opined that, the term "law" here means the law under statutory body.⁴ Here, the authority of law simply means either centre or the state government. In the union list there certain (13) subjects on which the parliament can levy the tax and in the state list also there certain (18) subjects on which the levy the tax.⁵ The residuary power to impose tax is vested in hands of the Union.

Article 268, is one of the most important articles in matter of fiscal relation between the states and the centre. According to article it is laid down, the stamp-duties and other duties excise on toilet and medicinal preparation of the Union, the government of India shall levied it. But, the State in which duties is levied, they can collect these duties.⁶

Statutory Grants and Grants-in- Aid

By virtue of **article 275**, talks about grants, herein, ed kinds of grants is discuss, a statutory grant and grants-in-aid or specific grants, which given by Union from the consolidated fund of India to such States which need any kind of help. Now, if we our different states, they all have different geographical difference, population difference, financial difference, so, it is possible that different States may need different sums to assist themselves.

Now, in our society there are some societies which are still having poor situation like scheduled tribe in a state. So, for upliftment of the scheduled tribes' special grants are also provided to serve progress to these tribes and also to uplift the mark of administration in scheduled areas.⁷

Discretionary Grants

Article 282, talks about the discretionary power to give grants to the State. These grants are basically given to the States to fulfil their targets, so that the States can uplift themselves.⁸

Finance Commission

¹ Dr. S.R. Myneni, Constitutional Law II, P.No. 331, Published by-Asia Law House, 2022.

² India Const. Art. 263.

³ India Const. Art. 265.

⁴ 1958 2 MLJ 117.

⁵ India const. seventh sched, List I and List II.

⁶ V.N Shukla, Constitution of India, P. No. 843, 2015.

⁷ India const. art. 275.

⁸ India const. art..282.

Finance commission is very crucial body for maintaining the smooth relation between the union and state. This is a body which established just after two years of commencement of the Indian Constitution, with the chairman as a head and other four members who are appointed by the President. The qualification and selection of these appointed members of the commission are to be done by law made by the parliament. The main duty of this commission is to make recommendation as in matter of allocation of taxes between the Union and the State shall take place as the finance commission will prescribe and how the sums from Consolidated fund of India will takes place in matter of grant-in-aid.¹

By virtue of article 246A of the Indian Constitution, the discretion to make laws regarding the goods and service tax which will be carried out by the centre or State government has been granted to the Union and State legislature and those discretion are limited to the certain conditions:

- a) Like, for any supply of motor spirit or gasoline, petroleum crude, natural gas, high speed diesel and aviation turbine fuel, the provisions of the article will apply as of the which the GST Council may suggest;
- b) Only the Parliament has the power to make laws relating to the supply of commodities or services, or both, occurring during interstate trade.²

If we see article 279A (1) of Indian Constitution after the amendment, the President has to established GST Council within 60 days of commencement of the said article. As per the amendment, the Council shall be comprising; -

- a) Union Finance Minister - Chairperson
- b) The Union Minister of State, in-charge of Revenue of finance - Member
- c) The Minister In-charge of finance or taxation or any other Minister nominated by each State Government – Members.

(4) of the article provides that the Council will advise the governments on important GST-related matters, such as what goods and services shall come under the ambit of GST, decision on certain GST rates, etc.³

101st Constitutional Amendment Act, 2016

When this amendment was not brought the taxation powers were bifurcated in between centre and state. The amendment of 2016 replaces various central and state taxes such as entry duty, sale tax, service tax, excise tax and entertainment tax with this GST. Whereas many goods and services are still fall under GST. The petroleum stuffs are initially set aside its ambit but if the GST council decides then it may be brought.

By this amendment a GST Council shall be constituted comprising of Union Finance Minister and all states' representatives to enforce GST. This council shall have discretion only upon few matters and those are: (i) IGST's division, (ii) goods and service also be enveloped under GST, (iii) taxes to cover under GST, (iv) those model laws which are to be passes by the Parliament and state assemblies, (v) GST rates and (vi) exclusive provisions for the Himalayan States or North-Eastern.⁴

The centre, by law, on the suggestions of the Council, provide for indemnify to the States for damage of expenses arising on instance of application of the goods and services tax for a during of five years.⁵

Effect of Emergency on the Union-State Financial Relation

Under **article 360**, clause (1) states that, if president is pleased that the stage has arisen whereby the financial situation of India or in any part of the India, then he can proclaim the emergency. According to Clause (3), of the article during such emergency the parliament have discretion to give the directions to the State and has to take his actions as stated in those directions. Clause (4)(b) of the article states that, the president, during the period of emergency, issue the direction for reduction of salaries and allowance of any person who is serving the affairs of the Union. And those persons also include the judicial bodies of High court and Supreme court.⁶

Findings:

After detailing almost provisions pertaining to relation between the Union and the State, I find that a strong Union is vital for to uphold and defend the country's unity and integrity. Of course, the Union has look after not only into the whole territory of India but also beyond it. The liability and responsibility of the Union is much more than that of a State. But the major point is at the activities of the powers between the Union and the States which is "over-centralization". As we have seen that in case where any discrepancies arise, the law of Union will prevail over the laws of the States. And how the Union can control all over the boundary of India in case of emergency situations? When it comes about the financial emergency, the president can also make reduction in the salary and perks of the judges of the High court or Supreme Court, this makes that the executive union have some indirect control over the machineries of Judiciary. To some extent the relation between the Union and the States in matter of the legislative and the administrative are stable, but if we see in the relation in matter of finance, the Union has been given more weightage as compare to the States. Because, without the Union directions or order there are very few subjects from which the State can have income.

Conclusion:

¹ India const. art. 280.

² India const. art. 246-A.

³ GST Council, [https://gstcouncil.gov.in/gstcouncil#:~:text=As%20per%20Article%20279A%20\(1,the%20commencement%20of%20Article%20279A](https://gstcouncil.gov.in/gstcouncil#:~:text=As%20per%20Article%20279A%20(1,the%20commencement%20of%20Article%20279A). (Last visited Apr. 12).

⁴ PRS Legislative Research, [https://prsindia.org/billtrack/prs-products/issues-for-consideration-2823#:~:text=The%20Constitution%20\(101st\)%20Amendment,will%20be%20levied%20under%20GST](https://prsindia.org/billtrack/prs-products/issues-for-consideration-2823#:~:text=The%20Constitution%20(101st)%20Amendment,will%20be%20levied%20under%20GST). (Last visited Apr. 13).

⁵ The Constitution (One Hundred and First Amendment) Act, 2016, Sec 18, Act of Parliament, 2016 (India).

⁶ India Const. Art. 360.

The India is the country where the system of federalism is followed. But the execution of this federal system here makes it quasi-federal, where the power is given in the hands of the Union and state but the centre has authority to control the state and some more powers are been provided to the centre as compare to the state. The principles of the present Constitution in India, makes the centre strong and indestructible. It has divided power into three terms which are legislative, administrative and finance.

Where the legislative powers are split into two-fold which are with respect to territory and with respect to subject matter. In matter of territory the Union can make laws for whole territory and outside of territory but the subject matter must have nexus with laws of India. And where it comes to subject matter, it has three-fold which are the Union list in which only centre can make laws, the State list in which only centre can make laws and the concurrent list in which the both can make laws and if there will be conflict between the laws, then the laws made by the Union will prevail. But the Union is bound by principles and doctrine of the Indian Constitution and precedent of Union judiciary. If we look into the administrative powers of the centre and state then it is there that the state executive has to compliance with the laws made by parliament. The Union has responsibilities to assist the state in the development of that state. It has some exclusive power also like executive power to enforced any foreign instrument. Apart from this the Union has can also give directions to the state government in certain matters. The financial power is also divided between these two bodies in very organized process. Since the Union has more sources of revenue it is responsibility of it to assist the state government if needed. That is why there are provisions relating to grants. Sources of taxation have been listed and allocated to the Centre and the State. The Sate levy, collect and appropriate taxes on certain matters. There are some matters on which the Union collect, appropriate and levy the taxes. Certain duties are levied by Union but appropriated and collected by the State government. And some taxes are there on which the Union levy and collect then distribute between the Union and the States. There is also constituted body called Finance Commission to recommend the President of India on certain matter relating to distribution of revenue or financial resources between the Union and the State.