PREFACE

Although the Centre-State fiscal relations under Indian Constitution appear to have a well-built and realistic theoretical framework, in the operational sphere it has a less admirable performance. This aspect is evident from the present fiscal position of the States. All the major Indian States are saddled with serious fiscal crisis and some States are already pushed into the debt traps. The fiscal crisis of the States has adversely affected their expenditures in the developmental sectors and stagnation in those areas is conspicuous. It is evident from this situation that the basic objectives of federal fiscal governance under the Indian Constitution has been defeated. Fiscal federalism under Indian Constitution has been a subject of great interest to academicians and political activists alike and there is a plethora of literature on the financial issues relating of Centre-State fiscal relations. But the literature, which attempts to study the Centre-State fiscal relations from the Constitutional angle, is very few. This study focuses on the principles and practices of Centre-State financial relations under the Indian Constitution and attempts to evaluate the functional efficiency of fiscal federalism from the Constitutional point of view.

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