



## SC Concerned by Growing States' Appeals Against Centre

**For Prelims:** [Supreme Court](#), [National Disaster Response Fund \(NDRF\)](#), [Disaster Management Act, 2005](#), [State Disaster Response Fund](#)

**For Mains:** Disaster Management, Government Policies & Interventions, States Borrowing Power, Centre-State Relations

[Source: TH](#)

### Why in News?

The [Supreme Court of India](#) has expressed concern over a growing trend of **States being compelled to approach it against the Centre.**

### What Instances Prompted the SC's Caution?

- **Tamil Nadu:**
  - Tamil Nadu accused the Centre of neglecting the State's needs by delaying disaster relief funds worth nearly Rs. 38,000 crore.
- **Kerala:**
  - Kerala filed a suit directly in the **Supreme Court**, blaming the Centre for interfering in its **'Net Borrowing Ceiling' (quantified as 3% of its projected [Gross State Domestic Product](#) for 2023-24, pushing the State to a [financial emergency](#).**
- **Karnataka:**
  - Karnataka's request for ₹18,171.44 crore under the [National Disaster Response Fund \(NDRF\)](#) to address a humanitarian crisis has been unanswered for six months.
  - The state argues that the Centre's inaction violates not only the statutory provisions of the [Disaster Management Act, 2005](#) but also [fundamental rights](#) of the people of the state, **guaranteed under the Constitution of India**, including the [right to equality and the right to life](#).
    - The State faces severe drought conditions, with a significant deficit in rainfall, affecting the lives of its people.

### What are the Constitutional Provisions for States's Borrowing Power and Dispute Settlement with the Centre?

- **Article 293:**
  - The executive power of a **State extends to borrowing** within India's territory, secured by the [Consolidated Fund](#) of the State.
  - The Government of India may make loans to States or provide guarantees, subject to conditions set by Parliament.
  - States cannot raise loans without the consent of the Government of India if any part of a **previous loan from the Government of India remains outstanding.**

- Consent for borrowing may be granted by the Government of India with imposed conditions if necessary.

▪ **Article 131:**

- It deals with the **original jurisdiction of the Supreme Court**. This means it **empowers the Supreme Court to directly hear and decide disputes** between:
  - The Central Government and one or more State Governments
  - Two or more State Governments
- Essentially, it acts as a referee in disagreements between the central government and state governments, or between different state governments themselves.

<b>Centre-State Relations in India's Governance Aspect</b>		
<b>Aspect</b>	<b>Constitutional Provisions</b>	<b>Key Features</b>
<b>Legislative Relations</b>	Articles 245 to 255	<ul style="list-style-type: none"> <li>▪ Parliament has overriding legislative powers over state legislatures.</li> <li>▪ Delineation of subjects in <b>Union List, State List, and Concurrent List</b>.</li> <li>▪ Parliament's residuary powers to legislate on any subject not mentioned in the lists</li> </ul>
<b>Administrative Relations</b>	Articles 256 to 263	<ul style="list-style-type: none"> <li>▪ States required to follow laws made by Parliament</li> <li>▪ Concept of "<b>cooperative federalism</b>" in administrative matters.</li> <li>▪ Centre's power to give directions to states on certain matters</li> </ul>
<b>Financial Relations</b>	Articles 264 to 293	<ul style="list-style-type: none"> <li>▪ Division of taxation powers between Centre and States.</li> <li>▪ Rules for imposing and sharing taxes.</li> <li>▪ Provisions for <b>financial grants and resources transfers to States</b>.</li> </ul>

### **What is the Central Government's Role in Disaster Recovery Plans for States?**

▪ **Disaster Management Act, 2005:**

- The Disaster Management Act, 2005 lays down the institutional, legal, financial, and coordination mechanisms at the national, state, district, and local levels for disaster management.
  - The act mandates the establishment of various authorities and committees, such as the **National Disaster Management Authority (NDMA)** and State and District Disaster Management Authorities to oversee and implement disaster management efforts.
- The act empowers the **central government to issue directions to the NDMA, state governments/SDMAs**, or any of their officers/employees to facilitate or assist in disaster management.
- The **Finance Commission** recommends the creation of funds for disaster mitigation along with disaster response, which will now together be called **National Disaster Risk Management Fund (NDRMF)** and **State Disaster Risk Management Funds (SDRMF)**.
  - The 15<sup>th</sup> Finance Commission recommended the **National Disaster Mitigation Fund (NDMF)** for the period 2021-26, alongside the NDMF, the **State DMFs** have been set up.
  - The SDRMFs are contributed by both the Central Government and the State Governments, with a **75:25 ratio for general states and a 90:10 ratio for**

## **northeastern and Himalayan states.**

### ▪ **State Disaster Response Fund (SDRF):**

- The **SDRF**, constituted under the Disaster Management Act, 2005, is the primary fund available with State Governments for responses to notified disasters.
  - The **Central Government contributes 75% of SDRF allocation** for general category States/UTs and 90% for special category States/UTs (NE States, Sikkim, Uttarakhand, Himachal Pradesh, Jammu and Kashmir).
- The annual central contribution is released in two equal instalments as per the recommendation of the Finance Commission.
- SDRF shall be used only for meeting the expenditure for providing immediate relief to the victims.
  - **Disasters covered under SDRF:** [Cyclone](#), [drought](#), [earthquake](#), fire, flood, tsunami, hailstorm, landslide, avalanche, cloudburst, pest attack, frost and cold waves.

### ▪ **National Disaster Response Fund (NDRF):**

- The NDRF, established under Section 46 of the Disaster Management Act, 2005, is a fund managed by the **Central Government to address emergency response**, relief, and rehabilitation during threatening disaster situations or disasters.
  - It **supplements the SDRF of a State, in case of a disaster of a severe nature**, provided adequate funds are not available in the SDRF.
- The fund is placed in the "**Public Account**" of the Government of India under "**reserve funds not bearing interest**," enabling the government to utilise it without parliamentary approval.
  - NDRF is financed through a **cess levied on specific items** subject to excise and customs duty, approved annually through the Finance Bill.
- Additional funding requirements beyond NDRF allocations are met through **general budgetary resources**, ensuring continuous support for disaster relief efforts.
- The fund's utilisation is overseen by the **National Executive Committee (NEC)** of the NDMA, with annual audits conducted by the [Comptroller and Auditor General \(CAG\)](#) to ensure transparency and accountability.

## **What are the Challenges faced by States Regarding Disbursement of Financial Aids?**

### ▪ **Delayed and Insufficient Disaster Relief:**

- Lack of coordination between the Centre and states in the disbursement of disaster management funds (NDRF and SDRF).
  - Concerns over the **Centre's unilateral decision-making** in determining the quantum of disaster assistance.
- Lack of clear, transparent, and objective criteria for the Centre to determine the **quantum of disaster relief and rehabilitation assistance to states**.
- Absence of enough institutionalised mechanisms for states to challenge the Centre's decisions on disaster aid.

### ▪ **Imbalance in the Centre-State Disaster Management Framework:**

- Perceived **over-centralisation of disaster management powers** and decision-making authority with the Centre.
- Concerns over the **NDMA being overly dependent on the Centre and lacking effective representation of states**.
- Lack of flexibility for states to customise disaster response and mitigation measures as per their local contexts and priorities.

### ▪ **Centralised Planning:**

- Centralised planning may not always take into account the unique needs and circumstances of each state, leading to inefficiencies in the response to disasters or other situations requiring aid.

### ▪ **Political Dynamics:**

- Political dynamics and **relationships between the central government and the states can influence aid distribution**, sometimes leading to allegations of bias or favouritism.

### ▪ **Lack of Consultation:**

- The **Centre is often accused of not adequately consulting the states** while formulating policies and schemes, leading to implementation challenges.
- Instances of the Centre unilaterally imposing decisions on the states without their consent have been a source of friction.
- **Lack of effective institutional platforms for regular dialogue** and dispute resolution between the Centre and states.
- Weakening of federal spirit and collaborative approach in the face of growing competitive and adversarial politics.

## Way Forward

- Enhance **fiscal federalism** by reviewing taxation powers and revenue sharing, addressing fiscal imbalances.
- Revitalise **institutional platforms for regular dialogue and consensus-building between the Centre and states**. Promote collaborative policymaking and effective dispute resolution mechanisms to address Centre-state conflicts.
- Improve **transparency in decision-making for disaster relief funds and aid utilisation**. Enhance audit and oversight to prevent misappropriation and discrimination.
- Promote a **political culture that prioritises national interests over partisan agendas** and encourages cooperation and mutual respect between the Centre and state levels. Educate citizens about the importance of cooperative federalism for effective governance and equitable growth.

### Drishti Mains Question:

Q. How does political dynamics and insufficient consultation hinder Centre-State cooperation during crises and suggest reforms to foster greater collaborative federalism?

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### Prelims

**Q1. Which one of the following is not a feature of Indian federalism? (2017)**

- (a) There is an independent judiciary in India.
- (b) Powers have been clearly divided between the Centre and the States.
- (c) The federating units have been given unequal representation in the Rajya Sabha.
- (d) It is the result of an agreement among the federating units.

**Ans: (d)**

**Q2. Local self-government can be best explained as an exercise in (2017)**

- (a) Federalism
- (b) Democratic decentralisation
- (c) Administrative delegation
- (d) Direct democracy

**Ans: (b)**

### Mains

**Q.** Discuss the recent measures initiated in disaster management by the Government of India departing from the earlier reactive approach. **(2020)**

**Q.** With reference to National Disaster Management Authority (NDMA) guidelines, discuss the measures to

be adopted to mitigate the impact of the recent incidents of cloudbursts in many places of Uttarakhand.  
**(2016)**

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