Q3

# Under what circumstances can the Financial Emergency be proclaimed by the President of India? What consequences follow when such a declaration remains in force?

UPSC Civil Services Mains 2018 · GS II · 10 marks · Indian Constitution

Indian Constitution - historical underpinnings, evolution, features, amendments, significant provisions and basic structure.

Facts & figures for this PYQ only.

Numbers move. Confirm the latest Budget, Economic Survey or census round. This sheet is for revision, not a substitute for the model answer.

https://wrapexams.com/upsc/mains-answers/gs-2/2018/under-what-circumstances-can-the-financial-emergency-be-proclaimed-by-the-president-of-india-what-consequences-follow-when-such-a-declaration-remains-in-force/

### Article 360
Proclamation of financial emergency when financial stability or credit of India or any part of its territory is threatened.

### Parliamentary approval
The proclamation must be laid before each House and approved by both Houses within two months, or it lapses.

### Directions to States
While in force, the Union may require States to observe specified canons of financial propriety.

### Salaries of judges
Article 360 expressly allows directions to reduce salaries of Supreme Court and High Court judges during the emergency.

### Article 207 Money Bills in States
State Money Bills and other specified financial Bills may be reserved for the President's consideration while the proclamation is in force.