

UPSC Civil Services Examination Political Science & International Relations

Topic- Money Bill in India-Indian Polity Notes

1. What is a Money Bill in India?

In Indian Constitution. Article 110 deals with Money Bill in India. There are few provisions for a bill to be deemed as a money bill. The provisions that make a bill a money bill in India are given below:

S.NO	Provisions for Money Bill in India
1	The imposition, abolition, remission, alteration or regulation of any tax
2	The regulation of the borrowing of money by the Union government
3	The custody of the Consolidated Fund of India or the contingency fund of India, the payment of money into or the withdrawal of money from any such fund
4	The appropriation of money out of the Consolidated Fund of India
5	Declaration of any expenditure charged on the Consolidated Fund of India or increasing the amount of any such expenditure
6	The receipt of money on account of the Consolidated Fund of India or the public account of India or the custody or issue of such money, or the audit of the accounts of the Union or of a state
7	Any matter incidental to any of the matters specified above

There have been questions from this topic in UPSC Prelims before, and are expected in UPSC 2020 too. IAS aspirants should focus on facts related to money bill which will be given in the latter part of the article.

Article 110 of Indian Constitution also gives provisions following which a bill cannot be deemed as a money bill. Those provisions are given below:

S.NO	Bill is not a Money Bill When it Provides For
1	Imposition of fines or other pecuniary penalties
2	Demand or payment of fees for licenses or fees for services rendered
3	Imposition, abolition, remission, alteration or regulation of any tax by any local

authority or body for local purposes

2. Article 117 of Indian Constitution- Financial Bill

Financial Bills are dealt under articles 117 (1) and article 117 (3.) Though Money Bill is a species of financial bill however, not all financial bills are money bill. These bills are categorized as:

1. Financial Bills (I)- Article 117 (1)
2. Financial Bills (II)- Article 117 (3)

Facts about Financial Bills (I):

- It is defined as a bill that contains matters not only related with Article 110 (Money Bill) but also other matters of finances.
- Its similarity with money bill:
 - It is introduced only in Lok Sabha similar to Money Bill
 - It is introduced only on the recommendation of President
- Its difference with money bill:
 - It can be either rejected or amended by the Rajya Sabha which is not the case with money bill
 - There is a provision of joint sitting summoned by President in case of deadlock
 - President can give his assent, withhold the bill or can even return the bill for reconsideration

Facts about Financial Bills (II):

- It is defined as bill that solely deals with provisions involving expenditure from Consolidated Fund of India and does not include any matter of money bill (Article 110.)
- It is treated as ordinary bill in all respects unlike Financial Bill (I)
- **Special Feature:** It cannot be passed by either houses of the Parliament unless President has recommended them for consideration of the bill
- It can be either rejected or amended by either House of Parliament
- There is a provision of joint sitting summoned by President in case of deadlock
- President can give his assent, withhold the bill or can even return the bill for reconsideration

These bills are important to understand as they form an important stage to know how a bill is passed in Indian Parliament. After knowing what money bill and financial bill are, read below to know the difference between the two.

3. Difference Between Money Bill & Financial Bill in India for UPSC

Till now we have understood that all money bills are financial bills but not all financial bills are money bills. To get more clarity, aspirants are advised to follow the table given below:

Difference	Money Bill	Financial Bill
Article	Article 110	<ul style="list-style-type: none"> Article 117 (I) Article 117 (II)
Meaning	Exclusively deals with the financial matters prescribed under Article 110	Deals with the provisions of revenue and expenditure
Form	Government Bill	Ordinary Bill
Introduced In	Lok Sabha Only	Bills under Article 117 (1) can be introduced in Lok Sabha only Bills under Article 117 (3) can be introduced in both the houses.
President's Prior Approval	Required	Required
Speaker's Certification	Yes	No
Rajya Sabha's Role	No Role	Same role as that of Lok Sabha
Joint Sitting	No Provision	Yes, if any deadlock

After President's assent, these bills become the act and are published in the Indian Statute Book.