

Financial Emergency – Article 360

- Under Article 360, if there is enough evidence to show that the financial status of the country is threatened, the President can declare an emergency. It remains enforced till he/she removes it. Salaries of different government officials can be reduced and all money bills require the President's signature.
- The President consults the cabinet ministers if any of the above situations arise and by the powers vested to him/her by Part XVIII (emergency provisions) of the constitution, he/she can remove many constitutional provisions such as some of the fundamental rights. Powers of the state governments are also reduced.
- The Financial Emergency took place three times.

S.No	Year	Prime Minister	Details
1	1946	N.Sundaresan - Financial Minister	The government announced demonetization of denominations above Rs.1000 with effect from 12th January 1946 and gave little time for exchange too. As the notes were accounted only to 3% of the India's population, it didn't affect normal life to an extent. The crown princes were exempted from the same and only 40% of today's India-Pakistan-Bangladesh was in effect, of the demonetization (by area directly controlled by the British)
2	1978	Morarji Desai	Morarji Desai announced the currency ban taking Rs 1000, Rs 5000 and Rs 10,000 out of circulation. The sole aim of the ban was to curb black money generation in the country.
3	2016	Narendra Modi	To eliminate fake currency and dodgy funds which have been used by terror groups to fund terrorism in India. The move is estimated to scoop out more than more than Rs 5 lakh crore black money from the economy. Rs. 500, Rs. 1000 were demonetized

