IMPLICATIONS OF FINANCIAL EMERGENCY IN INDIA

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ABSTRACT

This research paper is an attempt to get to know about the implications of a financial emergency in the country, that can be drawn from all the legal provisions being provided in the constitution of India and all the expected effects it can have over the country. There have been various concerns regarding the declaration of a financial emergency in the past as well but the topic remained wide open for research and analysis of its implications and development, the topic itself is unique as it does not have a lot of concrete stuff and verified instances due to the fact that there have been no financial emergency being declared by the Indian government in the history of independent India. The purpose is to draw a significant picture of the country if there is a scenario of a financial emergency. The research is mainly conducted based on the intuition that can be derived due to the global pandemic that is covid19. A petition has been filed in the apex court for demanding a financial emergency by the Center for Accountability and Systemic Change (CASC), represented by Vikas Gupta, assuming it to be a useful measure to control the country's economy has given a boost to the thought of a financial emergency. This petition highlights the fact that almost all the fundamental rights are being suspended by the government in the lockdown , which should be done under the article 360 and not under the disaster management act of 2005.In this research paper, the crisis of 1991 has been discussed and compared with today's condition. Because there have been no instances where the government had to declare this emergency under article 360 of the constitution, the presumed effect and measure have been given discussed. This research also contains the remarks given by the leaders of the country while discussing the effects a financial emergency would be having on the nation

in a session, which includes the likes of Dr. B.R. Ambedkar.This research paper contains few of the efforts made by the government and its organs to maintain the economic conditions of the country through various innovative and fruitful schemes, whether the reduction of reverse repo rate by the RBI or the innovations like CP grams.

Key Words: Emergency under Indian Constitution, Financial Emergency, Effect of Covid 19, of financial Emergency.

Introduction

As India fights a pandemic, financial and economic threats loom. Various schemes have come to the rescue, such as an aid package worth INR 1.70 lakh crore, which extends tax filing dates, provides Rs 15 billion for health infrastructure, waiving the requirement to maintain a certain minimum balance in bank accounts and extends the filing date for tax returns. State governments have also introduced financial packages. Along with this, the Reserve Bank of India (RBI) has softened insolvency and bankruptcy rules, MSMEs, etc.

In this context, some sectors of society flourish with diverse and contrary ideas. Recently, the Center for Responsibility and Systematic Change (CASC) filed a public interest lawsuit in the Supreme Court seeking an emergency declaration that was later deferred, citing that it did not lead to the situation. False news was also reported about Prime Minister Narendra Modi's probable declaration of a financial emergency. Political leaders like Mr. Subramanian Swamy came up with the same idea. However, Finance Minister NirmalaSitharaman said: "No movement to impose a financial emergency as claimed in some reports has been contemplated" in addressing the media.

What Is An Emergency?

The term emergency can be defined as "circumstances that arise suddenly that require immediate action by public authorities under the powers specially granted to them." The dictionary of black law defines the emergency "as a failure of the social system to provide reasonable living conditions." Dr. B.R Ambedkar stated that the Indian Federation was unique in that during times of emergency it could become a completely unitary system.During these urgent needs, all peaceful methods should be exhausted and emergency should also be the last weapon to be used, as it affects the federal characteristic of the government of India.Three types of emergencies are given under the Indian Constitution, namely:

1. National emergency(article 352)
2. state emergency (failure of constitutional machinery in the state)(Article 356)
3. Financial emergency (article 360)

National emergency

National emergency is given under article 352 of the Indian constitution. A national emergency is imposed when there is a serious threat or intuitionabout the security of India or any of its territory due to war, external aggression or armed rebellion. This emergency will be imposed by the President on the basis of a written request from the Council of Ministers headed by the Prime Minister. When they are satisfied they are satisfied that there is an eminent danger to them.

State emergency(failure of the constitutional machinery in the state)

Article 356 talks about the failure of the constitutional machinery in the state, also known as the government of the president. If the president in the Governor's report or otherwise is convinced that a situation has arisen that the government cannot be led in accordance with constitutional provisions, then he can issue a state emergency.

The president can declare the emergency either by the governor's report or he himself is convinced that the situation is such that the emergency must be imposed. But sometimes, the president can declare an emergency when a report from the governor is not received. President Venkataramandid this in 1991 in Tamil Nadu state, although he did not receive a report from the Governor.

FINANCIAL EMERGENCY

The president under Article 360 of the constitution has the power to declare a financial emergency if he is convinced that the financial stability or credit of India or any part of its territory is threatened. It has to appear before the Houses of Parliament and stops working after two months, unless the House resolution approves it.

During the financial emergency operation, the union's executive authority extends to instruct any state to observe certain specific financial ownership data and other instructions that the president deems necessary. Instructions may include reducing payments or assigning those who serve a state, all those in connection with the affairs of the union, including superior court judges and the Supreme Court. He has not had any occasion of financial emergency in India.

Parliamentary Approval and Duration

- A proclamation declaring a financial emergency must be approved by both the Houses of the Parliament within 2 months from the date of issue.
- When the Lok Sabha is dissolved or takes place during the two-month period without approving the proclamation, the proclamation survives up to 30 days from the first session of the Lok Sabha after its reconstitution, provided that Rajya Sabha has approved in the meantime.
- Once approved by both the parliamentary houses, the financial emergency continues indefinitely until it is revoked.Thus,

1. There is no prescribed maximum period for its operation; and
2. Repeated parliamentary approvals are not required for its continuation.
3. A resolution approving the proclamation of financial emergency can be approved by any of the houses of Parliament only by simple majority
4. A financial emergency proclamation may be revoked by the President at any time by a subsequent proclamation.
5. Such a proclamation does not require parliamentary approval.

Financial Crisisin 1991

India has never been under the situation of the financial emergency but in the year 1991, there were various reasons which lead to the financial crisis in the country and, a financial emergency was almost declared in the country. The 1991 economic reform brought the global transition in India. The transition led to the modification of the perspective of the government towards the role of private sectors and markets in the economy of the nation. The Balance of Payments crisis followed by the promise of gold reserves, IMF loans and other structural adjustment programs (sponsored by the IMF and the World Bank) were the starting steps towards the reformation of economy that were taken. The BOP crisis was the result of decades of reckless economic policies that India followed. The institutional arrangements of the economy before 1991 were reasonable and adequate at that time but eventually led to deterioration of the country's fiscal situation. The role of fiscal policy in the history of India is significant.

To combat the crisis, the government took various fiscal, monetary, commercial, financial, and industrial measures. Since mid-1991, the Indian economy departed from the previous policies that prevailed after independence. Liberalization, privatization and globalization are the words most heard by the reforms that took place after the crisis. India's economy was paved into a new regime through a new economic policy (NEP). It is necessary to know about the economic compulsion that led to such a crisis that led to these reforms.

What is Balance of payment and how does it lead to crisis?

The government is in deficit when it spends more than it receives. Alternatively, you run into a surplus when you receive more than you spend. To cover the additional expense, when you are in deficit, you can use 3 options. Print money, extract money from foreign exchange reserves or borrow from national or foreign sources. But it is not as ease as it likely seems. It influences other economic variables by resorting to these measures. Printing money excessively can lead to inflation. It can lead to a debt crisis if the government borrows heavily from foreign sources. Excessive borrowing from national sources can lead to higher interest rates and a greater "displacement" situation.India's fiscal situation, which caused the crisis, can be discussed as follow:

Fiscal Situation before Crisis:

In 1950, a planning commission was formed and since then India started on the path of planned development. Most of the planning process leaned toward strengthening the public sector as a means of achieving economic growth and development. Administrative controls were established over the industries by introducing the raj license-fee-inspector.

Since 1950, India had a continuous trade deficit due to the raj licensing system. Private savings was a way of supplying investment and consumption in the public sector. Redistribution of income and wealth through taxes and transfers was another goal over time to reduce inequalities and poverty. There were 11 sections of income tax. The government raised income tax rates to high levels during the 1970s. The marginal tax rate along with the wealth tax reached up to 100%

during the 1970s. In 1974-75, the tax rate on personal income was reduced to 77 percent, but the wealth tax rate increased. The central income deficit reached 2.44% of GDP in 1989–90 from 1.4% of GDP in 1980–81. The center's gross fiscal deficit increased from 5.71% to 7.31% of GDP. Even after the fall in external liabilities, the general liabilities were enormous.About 34% of spending was on defense during 1970–71, interest payments had a 19% share, while subsidies were 3%. In addition, for 1990-1991, interest payments had the majority of 29%, subsidies had 17%, and defense had 15% of the share of spending. The burden of public debt and the burden of subsidies were quite large at the time.The 1980-1990 phases saw the process of self-perpetuation of deficit-induced inflation and inflation-induced deficit. The deficit leads to an increase in the money supply, which eventually raises price levels. The increase in prices of commodities and goods led to public spending more than the income the have, increases the deficit. Since 1950 India had a continuous trade deficit due to raj licensing inspector raj. Fiscal imbalances affected the foreign sector, leading to the 1991 balance of payments crisis.This was the worst BOP crisis India had toface since independence. During the 1980s, the influx of foreign loans increased at increasing rates. There was excessive internal spending on revenue, as the central and state fiscal deficit reached 11% in 1991. Total public debt as a proportion of GNP doubled and foreign exchange reserves faced rapid depletion. In 1990–91, India faced double-digit inflation.

Immediate and Subsequent steps taken by Government at that time:

As an immediate action against the crisis, unconditional loans from the IMF by mortgaging the national gold reserves, which contained 67 tones of gold, an amount of $ 2.2 billion was taken and money loans from banks in the United States and Switzerland against gold reserves were included, which was around$600 million against 47 tones of gold to England and 20 tones gold to Switzerland. Something good came out of this crisis, the delayed economic reforms. The government took some important political initiatives to address the balance of payments problem. The fiscal deficit during 1990-1991 was around 8.4 percent of GDP. Fiscal imbalances were marginally corrected by the 1991–92 budget, which foresaw a reduction in the fiscal deficit of 2%.Fertilizer subsidies were reduced along with the abolition of the sugar subsidy. Providing excess subsidies exacerbates the fiscal deficit that was balanced by reducing these subsidies. The quota and license system was dismantled. The economy opened up for private markets, foreign investment, and trade. The path to economic liberalization was paved by the government to balance the deficit.

Various tax reforms were introduced to make the tax structure more stable and transparent. Some of them include reducing tax levels to 3 with rates of 20%, 30% and 40. The reduction in the legal liquidity index (LLR) and the cash reserve index (CRR) and the guidelines for opening new private sector banks were part of some monetary policies. The reason behind these reforms was to create competition between the public sector, the private sector, and foreign banks.The government decided to remove direct government control over capital markets and replace it with a transparent regulatory framework. The main industrial and commercial policies were reformed. MRTP was repealed and private sector participation in the industrial sector was allowed by reducing the areas reserved for the public sectors.One of the measures taken by the government to improve the balance of payments situation was the devaluation of the rupee. The devaluation of the currency leads to an increase in exports and, therefore, to an increase in the inflow of foreign currency. Initially, the rupee was devalued by approximately 20%. It was necessary to close the gap between real and nominal exchange rates, which arose due to high inflation. The revised exchange rate was corrected for this devaluation.The year 1991 is marked as a milestone in the history of India. The country faced its greatest economic crisis and used it as an opportunity to achieve significant changes in its economic policies.

THE RECENT EVENTS AND SITUATION

After the crisis of 1991 there were few instances of minor financial crisis but there were never any intuitions of the government to think of declaring a financial emergency under the article 360 of the Indian constitution, but the outbreak of the globally affective COVID19 pandemic led to the government to be forced to prevail a lockdown all over the country, as the only way to control the virus was the practice of social distancing, and there being no vaccine made and found for the cure of the deadly virus, this research here is about the financial emergency and all the effects and things comes with it if the government at last have to declare the financial emergency all over the country.So a petition has been filed by the ***CENTER OF ACCOUNTABILITY AND SYSTEMIC CHANGE (CASC)*** in the supreme court of India demanding a financial emergency declaration by the government as due to the lockdown almost all the fundamental rights including most under article 21 have been suspended, the demand is that these suspension of rights should be through the emergency under article 360 and not under disaster management act of 2005.

Few of the terrible instances of the financial crisis, recently:

- The asian development bank on 3rd april estimated that india would see a loss of around
- $120 billion, that is around 4% of the GDP of the nation in the near future due to the corona virus pandemic.
- RBI has appointed a committee of 90 people with prudence on the Indian economy.
- Foreign investors are withdrawing from the Indian market.
- Several multinational companies have been closed as employees are advised to work from home.In other worst cases, employees are fired or asked to leave without pay.
- More than 80% of the nation's financial units are blocked: Bangalore, Mumbai, Pune, Delhi, Lucknow, Kanpur, Hyderabad, Jaipur, Chennai, Kolkata, Gurgaon, Noida, Ahmadabad, and Surat.
- The US dollar is crossing its highest value against the Indian currency. As of the recent situation, 1 USD equals Rs 76.08 (on 28th april 2020)
- Income-generating sectors, such as oil, the security services industry, transportation, railways, etc., face the wrath of the coronavirus.
- RBI

Effects of Financial Emergency

All money bills or other financial bills, which arise for the President's consideration after being approved by the state legislature, may be reserved.

The President may issue instructions for the reduction of wages and allowances of;

(i) All or any class of people at the service of the Union and

(ii) The judges of the Supreme Court and the Superior Court

Recently, all members of Parliament, including the president, vice president, and state governors, have decided to accept a 30% pay cut for next year.Some critics say that the emergency provisions represent a serious threat to the financial autonomy of the states that is against the federal structure of the country.In independent Indian history the 1991 financial crisis led to bankruptcy of the country, but even then a financial emergency was not announced. Therefore, even at this time, the government must make a conscious decision in this regard, although the entire country joins the government to face any situation due to the COVID-19 pandemic.The financial emergency provision has been enshrined in Article 360 of the Indian Constitution as discussed earlier, the criteria for its proclamation is, if the President is convinced that a situation has arisen whereby the financial stability or credit of India or any part of its territory is threatened, then a financial emergency can be proclaimed.To discern the status quo, it is essential to delve deeper into the primary challenges that India will face if FM prevails before concluding that FM is the best possible solution to handling the situation. To shed light on this, let's take a look at the Constituent Assembly Debates to see the horizon and the powers that the central government and the President will yield and the possible gaps that will result there, if the provision is invoked.

Dr. Ambedkar introduced Section 280A inspired by the United States National Recovery Act. He put it on the table for more suggestions and amendments to the financial emergency provisions. Mainly, Pandit Hirday Nath Kunzru presented his apprehensions: “The Center will acquire complete control over the province's budget and will be able to dictate, both to the provincial government and to the provincial legislature, what financial policies they should adopt. This is not intended to allow the central government to deal with unemployment aid, public works or any of those problems whose solution would lead to economic satisfaction and increase the wealth of India.

As Kazi Karimuddin said, “the emergency will often lead to conflict between the Center and the Provinces, and instead of breathing an atmosphere of independence, liberty and freedom, we will be subject to the greatest interference from the Center and the president.” Rather, Professor Shiban Lal Saexna proposed enhancing the powers of the central government by allowing Parliament to enact laws on the List of States as if they were on a concurrent list during an emergency to avoid conflicts between centers and states and Sh. Brajeshwar Prasad added that the emergency should last until the president considers it appropriate. Finally, Mr. Sidhva concluded with these words: “I am sure that the President, whoever he is, will exercise his power correctly and will interpret this article in the correct sense and in the correct way and for the benefit of the country. Therefore, apprehensions regarding the possible misuse of powers were rejected.

Financial emergency can also lead to violation of fundamental rights too as the emergency under article 359 that empowers the president to suspend fundamental rights (except articles 20 and 21) could lead to public dissent and, therefore, aggravate the situation. At the core of emergency-related legal issues is the need to balance individual and state interests to protect the health of the public. Balancing the respective legal interests in emergencies is complex. The interests of individuals and the state can conflict, leading to difficult problems in setting and implementing community goals.However, while the declaration of financial emergency, the state and central government are said to work in a unified manner, but during the FM, the president can reduce the salaries of all government officials, including Supreme Court and Superior Court judges. Administrative staff and government bureaucrats who are supposed to provide support and assistance due to the fear of lower wages or other similar measures may divert their attention from their primary focus on controlling the widespread effect of the disease towards their own well being and problems.

Effects of The Degrading Gulf Economy On India

The gulf economic countries have been hit harshly as due to the global pandemic, these nations have no buyers of the oil that is the biggest part of their incomes and luxury. The oil prices have gone to the lowest and these countries being totally reliable over there production of petroleum products are under pressure and are willing to give away the oil along with storage money to the nations so as to have a benefits in the future for them.Now how can India be affected by the loss of these gulf economies? There are around 90 million Indian people living in these countries who were responsible for a big amount of remittances being sent to India, and now when these people have no income due to the fact that the income was mostly related to the oil works of these nations, India is expecting a big amount of loss being served to the nation. A survey has been conducted and it has stated that the 2.5 million Indian people living in UAE itself send around $14 billion in India that is over 1 lakh crore rupees, there can be no estimation that how much amount of remittances does the 90 million people in total contributes in Indian economy. India got around US $69 billion remittances in 2017, which increases every year with a huge margin.This can also be a contributing factor to the economic crisis of the country, and amount to small support for the prevailing of a financial emergency in the nation.

Effective Legal Statute for the disease and the economic provisions under them:

Although financial adversity is an obstacle, an emergency is declared in serious circumstances where legal methods have been exhausted and is the last available remedy. COVID-19 can be included in Section 2 (d) of the Disaster Management Act, 2005, which deals with the definition of disaster as COVID-19 is a serious event that arises from natural causes. To shed light on the financial perspective, Section 12 addresses the requirements for things like cereals, shelter and provisions for the elderly, ex gratia assistance to restore livelihoods and other relief deemed necessary. In addition, Section 13 establishes the recommendation for relief in the repayment of loans or the granting of new loans to people affected by the disaster on favorable terms that are appropriate. These sections address the growing trade in concerns to facilitate aid to the unorganized sector, small-scale industries, micro-enterprises, etc., where short-term loans, essential foods will be provided.

Efforts and actions taken and to be taken by the government (for handling the financial crisis and to reduce the chances of chaos and the forced result of declaring a Financial Emergency):

- **New FDI (foreign direct investment) norms**

The central government, for the purpose of saving the Indian companies, from being taken over by the foreign companies have made a few changes in the FDI policies of the country, now the policy does not allow the border sharing country’s companies to do acquisition and takeover any company of the nation, earlier when PBOC(people’s bank of china) took shares of the Indian bank HDFC, there was a creation of panic in the Indian market as this could lead to a future acquisition ofa leading bank of India which serves the purpose of financing a huge amount of population.

- **CPGRAMS (centralized public grievances redress and monitoring system)**

The ministry of personnel, public grievances and pensions had introduced this online web enabled system which serves the purpose of dealing with all the grievances of the public, individually or publically. What the platform actually does is that it simply takes the complaint or request of the public and pass it to the department with can be helpful regarding the problem of that person.

- **Agriculture and processed food products export development authority, aka APEDA**

The APDA or agriculture and processed food products export development authority is a governmental body under the ministry of commerce with the help of ministry of union agriculture have been procuring the agriculture food products and with the relief over the transportations for goods are exportin good products for the purpose of finding a market for those products and the reduction of loses to the farmers and there food products. With the forthcoming rabi crops harvestin period the expectations of the food products may be less but the products should be sold at a price which gives justice to the farmers and not let the food get spoiled. The authority is concerned for protecting the interest of the farmers and reducing the chances of economic breakdown further more.

- **KISAN CALL CENTER AND DEPARTMENT OF AGRICULTURE COOPERATION AND FARMER'S WELFARE:**

The department of agriculture cooperation and farmer's welfare, for the purpose of assisting the farmers for the harvesting of the *Rabi* crops in this situation of pandemic and established KISAN call centers and provided the facilities for video conferencing or e-governance. This step of the department has played a vital role as there have been around 20000 calls received per day from the farmers for any queries and problems. The step is for the support of horticulture in the nation that is the spices, fruits, vegetables, and medicine related crops also. As the need of the hour is the sufficient supply of food and the crops fur the making of valuable medicines as the country really need the medication to be up to the mark as there can be no real prediction about the real amount of need for these crops as the lockdown could be extended to some indefinite period also. The department is also responsible for providing the phytosanitary certification for the exports and imports of the food crops that is why the video conferencing plays a vital role for the purpose of teaching the farmers about the proper care of the products and proper sanitation for the purpose of handling the crops by the workers as well.

- **GEM (GOVERNMENT E- MARKETS)**

The commerce ministry has taken this initiative for the purpose of procurement of food products and all the other services through internet and online platform called the government e- market place or GeM commonly. This platform is not vague but a special purpose vehicle that is being processed to remove the middlemen for the selling of the food products and providing the services, this platform insures that the service provider or the produce of the goods and products get the maximum benefit out of the efforts in this time of pandemic as the economic situation of the country has harshly deteriorated and the efforts are needed from all the parts of the government to maintain the public order and the rightful amount of rewards for their works.

- **AYUSHMAN BHARAT**

Ayushman Bharat Pradhan Mantri Jan Arogya **Yojna** is the scheme which has been called the leading scheme of the National Health Agency of the government of India, this scheme has declared that it will provide for free test and treatment to the poor section of that society, it will benefit around 11 crore poor families. The scheme is also going to provide an insurance of 5 lakh to the families regardless of the size of the family, these families will be identified by the SECC data under the government of India which has the enrollment of these poor families.

ESSESNTIAL COMMODITIES ACT 1955

The government has been using the essential commodities act in the time of pandemic for the help of economically section of the society and the rightful amount of supply of the various essential needs of any household. The act can be used by both the state and central government and required changes can be done for the purpose of the dealing with the virus, as the government has now included the sanitizing tools under the scope of the act. The act plays a vital role in maintaining of the economic harmony of the weaker section of the society by providing them the essential goods and rightful amount of supply of those goods as well.

- **COOPERATING FEDERALISM**

The states and the central government have decided to work in harmony and cooperate with each other for the better management of the crisis during covid 19 and post covid 19, as the states among themselves should be helping each other because no state can be fully self reliable as there is the need of cooperation among them. Similarly being in up to date interaction and efforts management with the center is absolutely a vital aspect of the management of the economic condition the country. There are states that are not economically up to the mark for fighting the pandemic so the center can be providing for the various helps and support that that state will need in the future. The center has issued relief packages to the state for the maintenance of the economic stability.

- **New AGRO MSME POLICY**

This new policy aims to push entrepreneurship development in the rural, tribal, and agricultural and forest areas for manufacturing products using local raw material, which will increase the self dependency of the Indians as the maximum population of the country is rural and backward as of now. This policy also aims on the more usage of ayurvedic products and revive the Indian culture that only degraded in the British rule and continued to degrade in the independent India with the government focusing on the modern sciences in the last few decades. Our prime minister for this purpose only made the AYUSH ministry in 2014.

- **RBI and REVERSE REPO RATE**

The reserve bank of India can be seen taking various big steps for the purpose of maintaining the economic condition of the nation for that purpose the RBI has declared a huge amount of money being processed in the interest of the farmers , the RBI is going to provide a huge amount of money to NABARD or SIDBI who will be providing that money to RRBs(rural regional banks), and these RRBs will be providing the money to farmers for the purpose of continuing harvesting and cultivating of crops, the food necessity of the nation has to be fulfilled.

- **SOVEREIGN GOLD BOND SHEME 2020-21**

The government of Indian have launched a gold bond scheme to raise money in the time of this economic crisis, the RBI has been given the task of issuing these gold bonds on behalf of the government. The RBI have given the selling task to the scheduled commercial banks (which does not include payments banks like PAYTM) and the post offices. The minimum limit of the purchasing of bond is 1 gram of gold, the length of the bonds scheme is 8 years with exit option being available after 5 years from purchasing the bonds.Also these bonds are available for purchase to the residents of the country, the HUFs, any trust, charitable institutions and universities as well. This step was the most suggested one by the expert as just by asking the general public to give money to the PM-CARE fund was not anytime resulting in the welfare of the donors which was becoming an ambiguity in the country. This scheme will help to both the government and the investors too as they are supposed to get benefits in the coming future too.

- **RESTART (Rebooting the Economy through Science, Technology and Research Translation)**

This is an initiative by the TDB(technology department board), which is a statutory body under the DST(department of science and technology) for the rebooting of Indian economy after this financial crisis. The intention is to bring various scientists, technocrats, government officials, diplomats, WHO officials, and dignitaries together through conferences to discuss and suggest ways to improve the Economy and health status of the country. There have been various other steps taken by the central and the state government like the holding of Dearness Allowances of the government employees for the year 2020 for the purpose of saving some amount of money for fighting the pandemic also there have been pay cut of numerous days from the salaries of police forces, which may come handy in the time of need. The set up PM-CARES (prime minister’s citizen assistance and relief in emergency situation fund) and state funds have seen a huge amount of fund collections from the public at large, and worthy contribution from various celebrities and known personalities.

CONCLUSION

The above research is an attempt to understandall the provisions, aspects, and implications a financial emergency can have in the country. After discussing all the constitutional and law provisions, it can be concluded that the declaration of a financial emergency like any other kind of emergency is a discretionary power of the government and the parliament with a nominal ratification of the president. This issue of whether there is a need of a financial emergency or not arouse due to a petition which specified that the citizens are already been deprived of the fundamental rights under article 19 which should be done under the emergency provisions of the Indian constitution not through the effects of the disaster management act, the apex court has a view that an emergency is not the need of the hour and has delayed the petition as of now. The whole concept has a lot of ambiguity as there has been no such declaration of financial emergency in the country before unlike the emergencies under article 352 and 356, which have taken place numerous of times like at the time of the wars and the controversial emergency of 1975.The history does not give us much to conclude what the financial emergency implies so the conclusion is a matter of view point of an individual or a group of individuals.

While discussing all the recent events and the efforts of various parts of governmental and non-governmental bodies it is most likely that the Indian economy can bounce back in the coming period. Also it most unlikely of the Indian government that there will be no declaration of a financial emergency if the country gradually recovers from the pandemic as happened in 1991 when India faced the great financial crises.Any kind of emergency implies that there will be some steps and acts of the parliament which will be of different opinion from the public and the state government which could lead to non cooperation of the states or the public which is not needed at this time of pandemic as the most important aspect is to save maximum number of lives because the economic condition of a country can improve if the working class of the country is in good shape, the main motive of the government clearly seems to be the health of the nation and which factually implies that they want the cooperation of the general public and just by taking all the power in their hands and enforcing other provisions over them can lead to anarchy and chaos.

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