

Money Bill in India, Definition, Examples, Financial Bill

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What is a Money bill?

- In India, a Money Bill is a type of legislation that relates to the **appropriation of money** from the Consolidated Fund of India, which is the main fund of the government.
- Money Bills are typically related to **financial matters** such as taxation, public expenditure, and public debt.

What are the criteria that a bill should fulfill to become a money bill?

According to the **Constitution of India**, a bill is considered a Money Bill if it contains only provisions dealing with all or any of the following matters:

- The **imposition, abolition, remission, alteration, or regulation** of any tax.
- The regulation of the **borrowing** of money or the giving of any guarantee by the Government of India.
- The custody of the **Consolidated Fund or the Contingency Fund** of India, the payment of money into or the withdrawal of money from any such fund.
- The appropriation of money out of the Consolidated Fund of India.

- The declaring of any expenditure to be **expenditure charged** on the Consolidated Fund of India or the increasing of the amount of any such expenditure.
- 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.
- Any matter incidental to any of the matters specified above.

What is the procedure for the passage of the Money Bill in Parliament?

The Constitution lays out a special procedure for the passing of money bills in Parliament.

- Money bills can **only be introduced in the Lok Sabha** and only with the recommendation of the President.
- Money bills are considered **government bills** and can only be introduced by a minister.
- After a money bill is passed by the Lok Sabha, it is transmitted to the Rajya Sabha for consideration. The **Rajya Sabha has limited powers** with regard to money bills and can only make recommendations and cannot reject or amend the bill.
- The Rajya Sabha must **return the bill to the Lok Sabha within 14 days**, with or without recommendations. The Lok Sabha can accept or reject any recommendations made by the Rajya Sabha.
- **If the Lok Sabha accepts any recommendations**, the bill is deemed to have been passed by both Houses in the modified form.
- **If the Lok Sabha does not accept any recommendations**, the bill is deemed to have passed by both Houses in the form originally passed by the Lok Sabha without any change.
- **If the Rajya Sabha does not return** the bill to the Lok Sabha within 14 days, the bill is deemed to have been passed by both Houses in the form originally passed by the Lok Sabha.
- The Lok Sabha has more powers than the Rajya Sabha with regard to money bills.
- When a money bill is presented to the President, he may give or withhold his assent to the bill but **cannot return the bill** for reconsideration.
- The President normally gives assent to a money bill as it is introduced in the Parliament with his **prior permission**.

What are the issues pertaining to the misuse of the money bill?

- **Evading scrutiny:** Provisions of a money bill should not be used to bypass the legislative process or to evade the scrutiny of the Rajya Sabha.
- **Aadhaar Bill Controversy:** During the passage of the Aadhaar Act 2016, Opposition has claimed that enabling a fair and equitable distribution of benefits and subsidies is not a money matter under Article 110. Hence, it has questioned the legality of the Aadhaar Bill as a money bill.
- **Certifying Authority:** There are allegations of partisan role by the speaker through the sole discretion given to the speaker for certifying the bill as a money bill.
- **Separation of Power:** For instance, Finance Act 2017 was passed as a money bill. It amended various Acts to provide for new rules and appointments to various tribunals, such as National Green Tribunal.
- The **Supreme Court held** that a money bill should not contain provisions that are not directly related to the subjects listed in Article 110 of the Constitution of India (which defines the subjects that can be covered by a money bill).

What is the difference between a money bill and a financial bill?

Features	Money Bill	Financial Bill
Article	Article 110	Article 117
Definition	A bill that exclusively deals with financial matters such as the imposition or alteration of taxes, borrowing of money by the government, and expenditure from or receipt to the Consolidated Fund of India.	A bill that deals with financial matters but is not limited to the subjects covered by a money bill
Introduction	Can be introduced only in the Lok Sabha	Can be introduced in either the Lok Sabha or the Rajya Sabha
Examples	The Finance Bill, The Appropriation Bill	The Banking Regulation (Amendment) Bill, The Companies (Amendment) Bill.

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