



Supplementary Grants

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Why in News

Finance Minister tabled the first batch of Supplementary Demands for Grants for the financial year 2019-20 in both the Houses of Parliament.

When the authorised grants fall short of the required expenditure, an estimate is presented before the Parliament for **Supplementary or Additional grants**.

- The **Comptroller and Auditor General** of India bring such excesses to the notice of the Parliament.
- The **Public Accounts Committee** examines these excesses and gives recommendations to the Parliament.
- These grants are presented and passed by the Parliament before the **end of the financial year** (1st April to 31st March).

Other Grants

Additional Grant

It is granted when a need has arisen during the current financial year for **additional expenditure** upon **some new service** not contemplated in the budget for that year.

E.g.:

The demand for grants for the year 2019-20 also includes allocation of more than Rs 8,000 crore to the newly formed **Union Territories of Jammu and Kashmir and Ladakh** and Rs 20 crore for upkeep of Ayodhya.

Excess Grant

It is granted when money has been spent on any service during a financial year in excess of the amount granted for that service in the budget for that year.

- It is voted by **the Lok Sabha** after the financial year (since it is regulated by the same procedure which is applicable in the case of a regular budget, i.e. voted by the Lok Sabha).
- Before the demands for excess grants are submitted to the Lok Sabha for voting, they must be approved by the **Public Accounts Committee of Parliament**.

Vote of Credit

It is granted for meeting an **unexpected demand upon resources** of India, when on account of the magnitude or the indefinite character of the service, the demand cannot be stated with the details ordinarily given in a budget.

Hence, it is like a **blank cheque** given to the Executive by the Lok Sabha.

Exceptional Grant

It is granted for a special purpose and forms no part of the current service of any financial year.

Token Grant

- It is granted when funds to meet the proposed expenditure on a new service can be made available by **reappropriation**.
- A demand for the grant of a token sum (of Re 1) is submitted to the vote of the Lok Sabha and if assented, funds are made available.
- **Reappropriation** involves transfer of funds from one head to another. It does not involve any additional expenditure.

Votes on Account

The Constitution has authorised the Lok Sabha to make any **grant in advance** in respect to the estimated expenditure for a part of the financial year, pending the completion of the voting of the demands for grants and the enactment of the appropriation bill. This provision is known as the '**vote on account**'.

It is passed (or granted) after the general discussion on budget is over. It is generally granted for **two months for an amount equivalent to one-sixth** of the total estimation.

Note: Supplementary, additional, excess, exceptional grants and vote of credit are regulated by the same procedure which is applicable in the case of a regular budget.

Constitutional Provision

- Supplementary, additional or excess grants and Votes on account, votes of credit and exceptional grants are defined in the Constitution of India 1949.
- Provisions under these Articles are:
 - **Article 115:** Supplementary, additional or excess grants.
 - **Article 116:** Votes on account, votes of credit and exceptional grants.

Source: IE