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Supplementary Demand for Grants

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Why in News

The Lok Sabha has passed **supplementary demand for grants** for the second batch (2020-2021).

Key Points

- **About:** It is needed when the amount authorised by the Parliament through the **appropriation act** for a particular service for the current financial year is found to be **insufficient** for that year.
This grant is **presented and passed by the Parliament before the end of the financial year.**
- **Constitutional Provisions: Article 115** pertains to supplementary, additional or excess grants.

- **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.
- **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. 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 the 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.

- **Article 116** of the Constitution pertains to **Votes on account, votes of credit and exceptional grants**.
- Supplementary, additional, excess and exceptional grants and vote of credit are **regulated by the same procedure** which is **applicable in the case of a regular budget**.

Source:TH