



Supplementary Demand for Grants

For Prelims: Appropriation act, Article 115 and 116, Public Accounts Committee of Parliament, Different type of Grants.

For Mains: Supplementary Demand for Grants and Constitutional Provisions.

Why in News?

Recently, the government has tabled a third batch of [Supplementary Demands for Grants](#) in Lok Sabha.

What is the Supplementary Demand for Grants?

- 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](#).

What are the Other Types of 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.

What are the Related Constitutional Provisions?

- **Article 115** pertains to supplementary, additional or excess grants.
- **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**.

PYQs

Which of the following are the methods of Parliamentary control over public finance in India? (2012)

1. Placing Annual Financial Statement before the Parliament
2. Withdrawal of moneys from Consolidated Fund of India only after passing the Appropriation Bill
3. Provisions of supplementary grants and vote-onaccount
4. A periodic or at least a mid-year review of programme of the Government against macroeconomic forecasts and expenditure by a Parliamentary Budget Office
5. Introducing Finance Bill in the Parliament

Select the correct answer using the codes given below:

- (a) 1, 2, 3 and 5 only
- (b) 1, 2 and 4 only
- (c) 3, 4 and 5 only
- (d) 1, 2, 3, 4 and 5

Ans: (a)

Consider the following statements: (2015)

1. The Rajya Sabha has no power either to reject or to amend a Money Bill.
2. The Rajya Sabha cannot vote on the Demands for Grants.
3. The Rajya Sabha cannot discuss the Annual Financial Statement.

Which of the statements given above is/ are correct?

- (a) 1 only
- (b) 1 and 2 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

Ans: (b)

Source: TH

