



# Supplementary Demand for Grants

## 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](#)

