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No.19011/1/90-Finance.II

Government of India

Ministry of Home Affairs

New Delhi, the 27<sup>th</sup> March, 1990

OFFICE MEMORANDUM

Subject : Proposals relating to Union Territory Administrations.

The undersigned is directed to bring the following facts relating to Union Territories to the notice of all Financial Advisers.

2. Some of the Ministries are under the impression that the budget proposals of the Union Territories are finalized by the Ministry of Home Affairs directly in consultation with the Ministry of Finance and, as such, the expenditure proposals of the UT Administrations should appropriately be dealt with in the Ministry of Home Affairs. This impression is not correct. The factual position in this behalf is that upto the year 1985 budget proposals of the UT Administrations used to be finalized by the concerned Ministries and the total budget allocation of each Union Territory was reflected in the Demands of Grants of the Ministry of Home Affairs. From the year 1986 the process of budgetary allocation has been changed by the Ministry of Finance. The annual budgetary grant of each UT Administration is now fixed by the Ministry of Finance and Major-Headwise distribution of the ceiling amount is done by the officers of the UT Administrations before the budgetary demands of the Union Territories are included in the MHA Demands for Grants. However, the revised procedure does not in any way effect the responsibility of the Ministries within their respective fields in respect of the matters of the Union Territories. For the sake of facility, Ministry of Finance had in an inter-departmental meeting identified the Major Heads which fell within the purview of the concerned Ministries and this Ministry wise distribution of Major Heads is indicated in the MHA's Demand of Grants printed copies of which are circulated to all concerned soon after the demands are passed by the Parliament. The UT Administrations are required to refer their expenditure proposals to the concerned Ministries according to the subject matter and it is for that Ministry to consider the proposal and to convey the approval of the Government of India. In case of doubt as to which Ministry is concerned with the particular proposal, a glance over the Major Head (in MHA's Demand of Grant) to which the expenditure is debitable would reveal the Ministry which should deal with the matter.

3. Financial Advisers are requested kindly to bring the aforesaid position to the notice of all officers/Sections concerned with the UT Administrations for information/ compliance.

-Sd-

(K.M. Lal)

Financial Adviser & Joint Secretary to the Government of India

To

All Financial Advisers