



कार्यालय रक्षा लेखा नियंत्रक :
OFFICE OF THE CONTROLLER OF DEFENCE ACCOUNTS
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NO.1, STAFF ROAD, SECUNDERABAD - 500 009.
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Email: secd-acsn-cda@nic.in cda-secd@nic.in



No.A/ II/13016/MER

Dated : 01.09.2023

MOST IMPORTANT CIRCULAR

सेवा में / To,

प्रभारी अधिकारी / **Officers in Charge,**

01. सभी उप-कार्यालय / **All Sub Offices,**

सिकंदराबाद, विशाखापट्टनम, सुर्यलंका और एदुमलारम / **Secunderabad /Visakhapatnam/
Suryalanka and Eddumailaram**

02. सभी अनुभाग / **All Sections**

मुख्य कार्यालय / **Main Office**
स्थानीय / **Local**

Sub:- MoF Gazette notification defining the new criteria for classification of the items under Capital & Revenue based on the new cost & life cycle.

Ref:- HQrs. Letter No. A/I/9084/XXXVI dated: 31.08.2023.

उपर्युक्त विषय पर मुख्यालय पत्र की एक प्रति जानकारी, मार्गदर्शन और सख्त अनुपालन के लिए इसके साथ अग्रेषित की जाती है

A copy of HQrs letter referred above on the subject is enclosed for information and compliance.

GO(A/Cs) has seen.

संलग्न / **Encl: ऊपरोक्त अनुसार /As above**

sdl-

सी.एच. वी. रमण मूर्ति / **Ch. V. Ramana Murthy**
लेखा अधिकारी / **Accounts Officer (Accounts)**

प्रतिलिपि / **Copy to:-**

AO1/c,
IT Section,
LOCAL

- with a request to upload this letter in CDA's website.

सी.एच. वी. रमण मूर्ति / **Ch. V. Ramana Murthy**
लेखा अधिकारी / **Accounts Officer (Accounts)**



सत्यमेव जयते

कार्यालय रक्षा लेखा महानियंत्रक
Office of the Controller General Of Defence Accounts
उलान बटार मार्ग, पालम, दिल्ली छावनी 110010-
Ulan Batar Road, Palam, Delhi Cantt.-110010
लेखा एवं बजट अनुभाग Accounts & Budget Section
011&25665622
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Email ID - hqaccounts.cgda@gov.in



No.A/9084/XXXVI

Dated:-31 .08.2023

To

The All PCsDA/CsDA

Sub:- MoF's Gazette notification defining the new criteria for classification of the items under Capital & Revenue based on the new cost & life cycle.

A copy of MoD (Fin) ID No.10(1)/Budget/2020/(Part-2) dated 22.08.2023 on the above cited subject is forwarded herewith for your information and necessary action. As per the latest orders, the new threshold limit for capital expenditure has been set to Rs. 01 Lakhs or 03 years of useful life.

Sr.AO (A/Cs& Bud)

9r

Ministry of Defence (Finance)
(Budget Division/DFPDS Desk)

Subject: MoF's Gazette notification defining the new criteria for classification of the items under Capital & Revenue based on the new cost & life cycle.

Attention is invited towards MoF, GoI, Gazette notification dated 16.12.2022 where-in MoF has amended Rule 8 of DFPR applicable to Civil Ministries and re-defined the criteria for classification of the items under Capital & Revenue based on the new cost & life cycle. **As per the latest orders the new threshold limit for capital expenditure has been set to Rs 01 Lakhs or 03 years of useful life.**

2. Vide ibid Gazette notification MoF has also issued the directives for implementation of new code heads/object heads w.e.f 01.04.2023 for both voted & Charged expenditure. Accordingly, the implementation of such procedure may require changes in booking methodology and change in procurement procedure and delegation of financial powers in some cases.

3. After the ibid amendment some contingent items which earlier were booked under Office Expense Heads, have now to be booked under Capital Heads under newly created Object Head i.e. Information Computer Telecommunication (ICT), Furniture & Fixture and already existing Object head of Motor Vehicles, Machinery and equipment.

4. Financial power to incur the expenditure on such contingent items is covered under Schedule V of Rule 13 of DFPR 1978 and till now there is no amendment in Rule 13 (including Schedule V & Annexure to Schedule V) consequent upon issue of MOF Gazette Notification/Amendment to Rule 8 of DFPR.

5. Therefore, it is evident that there is no need of any fresh delegation of financial powers to facilitate the procurement of items now classified as capital for booking purpose and organisation covered under MoD Civil budget may continue to exercise the existing delegated financial powers which were being exercised hitherto in respect of such items.

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30/9/23

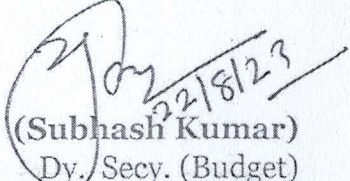
e-Office R&D Section
Receipt No. 271725/2023
Date : 25/9/23

Continued on Page- 2

6. In view of this, and for the benefit of all stakeholders, covered under MoD civil grant the following clarifications are hereby issued with the approval of the competent authority:

- a) Revenue Procurement Procedure i.e **Defence Procurement Manual/ GFR** will be followed as hitherto fore for all those items of expenditure/object heads which were earlier classified as Revenue Expenditure and now re-classified as Capital Expenditure (as mentioned on Sl No. 39, 40 & 43 of the Gazette Notification dated 16.12.2022) consequent to amendment of Rule 8 of DFPR.
- b) Till Delegation of Financial Power is amended/re-delegated, the **present delegation of revenue procurement powers will be applicable** to the items of expenditure/ object heads which were earlier classified as Revenue Expenditure and now re-classified as Capital Expenditure consequent to amendment of Rule 8 of DFPR.
- c) Expenditure on such items will invariably be booked under relevant capital heads/newly created capital heads.
- d) Amendment in Rule 8 of DFPR **is not applicable** to any organisation covered under Defence Service Estimates (DSE).

7. In due course, scrutiny of relevant inputs from the stakeholders will be carried-out & further guidelines, if required may be issued by concerned MoD/MoD(Fin) divisions. Accordingly, all directorates/entities covered under MoD Civil estimates may adhere to the above procedure till further orders.


(Subhash Kumar)
Dy. Secy. (Budget)

DoD (Coord)
DG ICG

DDP (Coord)
JAKLI

DGBR
Pr. Branch AFT

DGDE
GM CSD, Mumbai

CGDA

MoD (Fin) ID No. 10(1)/Budget/2020/ (Part-2) dated 22 .08.2023