



**Government of West Bengal
Finance Department
Budget Branch
Nabanna, Howrah**

No. 581 - FB

Dated: 25th July, 2017

Memorandum

Subject: Inclusion of certain costs under capital expenditure

The undersigned is directed to say that the booking of expenditure under the capital head of account has been under examination for sometime by the Government. It was observed that all costs attributable to the capital expenditure are not being met from capital head of account in many cases.

2. It is stated that capital expenditure may be broadly defined as expenditure incurred with the object of acquiring tangible assets of a permanent nature or enhancing the utility of existing assets. It should include all charges for the first construction and equipment of a project as well as charges for intermediate maintenance of the work while not yet opened for service.

3. In view of such position, all costs which are directly attributable to bringing the asset into working condition for its intended use, should be included in the capital expenditure.

4. The following attributable costs should be met from capital provisions in the State Budget –

- (i) Cost of site preparation and clearance;
- (ii) Professional fees (such as legal, architect's fees);
- (iii) Initial delivery and handling costs;
- (iv) Installation costs;
- (v) Intermediate maintenance costs.

5. If not otherwise provided or included in the detailed project report, the attributable costs may be met from the detailed head "60 - Other Capital Expenditure" below the scheme head. Wherever necessary, the Administrative Department may approach Finance Department for opening the said detailed head and for providing funds by re-appropriation or otherwise.



(P. A. Siddiqui)

Secretary

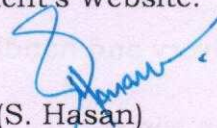
to the Government of West Bengal
Finance Department

No. 581/1(150) - FB

Dated: 25th July, 2017

Copy forwarded for information & necessary action to :

1. The Additional Chief Secretary/Principal Secretary/Secretary,
..... Department.
2. Group/ Branch, Finance Deptment.
3. The Director of Treasuries & Accounts, West Bengal, 3rd Floor, Mitra Building, 8 , Lyons Range, Kolkata - 700 001.
4. The State Information Officer, National Informatics Centre, Bidyut Bhaban, Ground Floor, D.J. Block, Sector-II, Salt Lake, Kolkata- 700 091
5. The Pay & Accounts Officer, Kolkata Pay & Accounts Office-I 81/2/2, Phears Lane Kolkata 700 012
6. The Pay & Accounts Officer, Kolkata Pay & Accounts Office-II P-1 Hyde Lane Kolkata 700 012
7. The Pay & Accounts Officer, Kolkata Pay & Accounts Office-III IB Market, 1st Floor, Salt Lake, Sector-III Kolkata 700 106.
8. The Commissioner,Division
9. District Magistrate, District.
10. The Treasury Officer,Treasury.
11. Shri Sumit Mitra, Network Administrator, Finance Department, for uploading this order in the Finance Department's Website.



(S. Hasan)

Assistant Secretary
to the Government of West Bengal
Finance Department