

## Chapter 3 – Review on 'Provision and utilization of Direction and General Charges provided in Works estimates of Construction Organization in Indian Railways'

### Executive Summary

Each estimate of major work/projects carried out in Indian Railways has provision of Direction and General (D&G) charges to cover the cost of staff engaged and office expenses for execution of work/project. Railway Board has fixed yardsticks for (a) provision of D&G charges in various Works Estimates as a percentage of estimated cost of work and (b) creation of Gazetted posts indicating the works to be handled by each post holder in monetary terms. These posts are in addition to the permanent and temporary posts sanctioned for the Indian Railway. The yardsticks for creation of Gazetted posts including Higher Administrative Grade (HAG), Senior Administrative Grade (SAG), Junior Administrative Grade (JAG), Senior Scale (SS) and Junior Scale/Group "B" have been prescribed by Railway Board. The overall expenditure on work charged establishment should be within the prescribed establishment component of D&G charges.

Audit was conducted to examine the compliance of the applicable provisions and Railway Board's instructions issued from time to time with regard to Provision and Utilization of D&G charges provided in Works estimates of Construction Organization in Indian Railways (IR). It was seen that Railway Board has prescribed a flexible system linking the creation of posts to provision of funds under ongoing/sanctioned capital works. The principles for accounting of expenditure on these posts (called worked charged posts) are on accrual basis. Principles of measurement are prescribed in the Indian Railway Finance Code which is consistent with accrual basis of accounting.

The salient observations are given below:

#### Assessment of D&G Charges

- Disparity in estimation of cost of staff for creation of work charged posts in Zonal Railways had resulted in understatement of capital expenditure to the tune of ₹1327.59 crore which leads to operation of larger number of posts with potential consequences like non-availability of funds for execution of works and/or delay/non-completion/reduction in scope of work during the period from 2011-14.
- Non-maintenance of ratio in operation of posts in Senior Scale and Junior Scale cadre as per the norms fixed by Railway Board has resulted in operation of excess posts in Senior Scale Cadre and excess expenditure of ₹70.12 crore.

#### Distribution and Utilization of D&G Charges

- Non fixation of norms/yardsticks for operation of posts in Personnel, RPF, Mechanical, Medical, Vigilance, Traffic, Operating and Commercial Departments and operation of posts in these departments on adhoc basis has resulted in booking of expenditure of ₹102.04 crore to Construction Works under Capital heads..

- *Booking of expenditure of non D&G component to D&G charges within the same work, D&G charges to non-D&G component within the same work, establishment component of D&G charges of one work to another work, non-establishment component of D&G charges of one work to another work, expenditure of D&G charges of Capital Works to Revenue account, Revenue expenditure to D&G charges of Capital works resulted in incorrect booking of expenditure to the works for which funds exist and led to incorrect accountal of expenditure of ₹286.06 crore during 2011-14 in respect of 280 works test checked.*
- *The Railway Administration had assessed the D&G charges work wise/ project wise, as per the prescribed percentages of D&G charges for various construction projects, but the amount booked against a particular work in a particular year was not in accordance with the provision made in the sanctioned estimate of the works. This led to inappropriate booking of expenditure on D&G charges between 0 to 104.17 per cent in respect of 280 works test checked during 2011-14. where budget provisions were made.*
- *The Work Charged posts are justified, created/extended on the basis of Budget outlay for the year concerned. Three budgetary reviews are made during August, December and February to review the requirements of funds. On this basis re-appropriations/final allotment of funds are made by Railway Board. However, the results of the review of expenditure are not being extended to assess the impact of change of expected expenditure on availability of corresponding D&G charges. This has resulted in excess expenditure of ₹177.33 crore in comparison to quantum of work (in monetary terms) executed by the posts holders due to non-reduction of posts proportionate to reduction in expenditure in comparison to outlays. The Chairman Railway Board in March 2014 also stressed the need to reassess the work charged posts on the basis of subsequent revision in the Budget Grants.*
- *Excess booking (beyond the available provisions in the work estimates) of ₹2206.43 crore and ₹304.84 crore since commencement of works to March-2014 under various heads of D&G charges was seen in test checked ongoing and completed works respectively.*
- *An excess expenditure of ₹749.97 crore under D&G charges was assessed by audit on account of decline in expenditure against outlays on works and a saving of ₹563.02 crore under D&G on account of increase in expenditure against outlays in the Zonal Railways during 2011-2014 as against justified amount of D&G charges proportionate to actual expenditure.*
- *The Works Registers<sup>142</sup> serve as an important management tool in providing information which enables comparison of the expenditure incurred against a work with the provisions made in the estimate. It was however, noticed that these registers were not being maintained properly as the plan head wise details of estimated cost, budget allotment etc. were not recorded in the work*

<sup>142</sup> Defined under Para 1472-E.

*registers. The posting in the registers was not made properly and frequent corrections were made in the work registers*

### 3.1 Introduction

The construction activities (New Lines, Bridges, Gauge Conversion and Doubling of existing lines etc.) of the Railways are carried out at the zone under the administrative control of Chief Engineer (Construction) reporting to the General Manager of a Zonal Railway or under the independent administrative control of a Chief Administrative Officer (Construction) [CAO(C)] or General Manager (Construction) reporting to the Railway Board. They are assisted by Chief Engineers (Construction) in the Zonal office and Dy. Chief Engineers/ Executive Engineers/ Assistant Engineers (Construction) in the field formations. The execution of these works involves sanction to an estimate. This estimate contains provision for cost of material and labour. The estimate contains provision for cost of gazetted and non-gazetted staff required for supervision and direction as well as provision for other expenditures such as plant construction, temporary accommodation, residential accommodation, instruments and contingencies etc., which are cumulatively included under the term Direction and General (D&G) charges. The scales for providing D&G charges in an estimate are prescribed by the Directorate, Efficiency and Research (E&R) Railway Board from time to time. D&G Charges include two elements viz. establishment charges and other than establishment charges under various sub heads<sup>143</sup>. The break-up of these charges is periodically revised by the Railway Board. The cash flow requirement for execution of the sanctioned estimate for works is obtained through annual budgetary allocation exercise. The allotments are obtained under Demand No. 16 of the Demand for Grants (Demand).

Subsequent to the allotment of funds a separate justification for creation of work charged posts is prepared by Zonal Railways as per yardsticks prescribed by the Directorate (E&R) and component of available unutilized part of the provisions of D&G charges contained in the sanctioned estimates which would be required for execution of the works for which funds have been allocated. The proposals for creation/ extension of currency of the posts of Senior Administrative Grade (SAG) and above are forwarded by the General Manager of the Zone to the Establishment Directorate (Gazetted Cadre) of the Railway Board in consultation with the associate finance. A similar proposal for Gazetted posts upto Junior Administrative Grade (JAG) cadre is submitted to the General Manager for sanction in consultation with the associate finance. The non-gazetted posts are sanctioned at Zonal level by the officer in charge of the construction wing in consultation with their associate finance. The sanctioned posts are then operated by obtaining personnel from the open line organisation.

The assessment of D&G charges that would be available for operation of posts for executing the works as per budgetary outlay is required to be done work wise and department wise. Thus, the cumulative D&G charges proposed to be utilized for

<sup>143</sup> Break-up of D&G charges- i). Establishment charges on Direction and General for Audit and Accounts, Civil Engineering, Electrical Department, Mechanical, Traffic Department, S&T Department, Medical and Sanitation; ii). Other than Establishment charges- Plant construction, Instruments, Office expenses, Temporary Residential Quarters, General charges on stores, loss of cash and stores and operating expenses pending opening of the line for traffic.

each department are determined. The operation of the posts within each of these departments based on budgetary outlays involves assessment of the cost of these posts, prescribed yardsticks of the Railway Board for creation of posts and extent of the assessed component of available D&G charges in the works determined to be executed in the concerned year. Thus, the operation of the post also involves an assessment of the components of various works that are expected to be completed in the concerned year. Any shortfall in the achievement of the targets of the various components of the works/projects or deficient assessment of the cost of the post carries the risk of incurring expenditure in excess of the provision for D&G charges in the estimate and/or the risk of accounting for the expenditure in (a) other works and (b) under incorrect accounting heads.

### 3.2 Audit objectives

Objectives of the present Audit were:

- i. To review the methodology adopted by the construction organization for assessment of D&G Charges required for undertaking the construction projects.
- ii. To examine whether the available D&G Charges were distributed as per department wise yardsticks fixed by Railway Board and utilized efficiently, economically and effectively.

The adequacy of determination of norms for D&G charges by Railway Board has not been included in the scope of this audit.

### 3.3 Audit criteria

Rules, regulations and instructions issued by the Railway Board and General Manager of the Zonal Railways were adopted as audit criteria. The detailed position of the prescribed D&G charges by the Railway Board is given in *Appendix II*. The gist of instructions issued by the Railway Board regarding distribution of D&G charges from time to time is enclosed as *Appendix I*.

### 3.4 Audit scope and methodology

Audit covered provision and utilization of D&G charges in the ongoing and completed projects for a period of three years from 2011-12 to 2013-14.

Audit Methodology covered review of records at the Railway Board and Headquarters of Zonal Railways. Study of rules and policy circulars relating to assessment of D&G Charges required for undertaking the construction projects was carried out in Audit. The records relating to assessment made by the Zonal Railways for creation/extension of work charged posts were also examined in Audit. The vouchers/Journal vouchers<sup>144</sup> and related records of the works including allocation of expenditure as D&G charges were also seen in Audit. Audit was conducted during July 2014 to November 2014 in all the Zonal Railways including Metro Railway/Kolkata. Monitoring role of Railway Board was seen in Audit in December 2014. Central Organization for Railway Electrification (CORE) was not

<sup>144</sup> Journal vouchers- transfer the amount from an accounting classification to another accounting classification and is a document carrying serial number, transaction date and amount, brief description of the transaction and the signature of the authorized signatories.

covered in this Audit as the study was restricted to the works carried out by construction organization.

### 3.5 Sample size

In the construction formations of the Indian Railways 358 New Lines, Doubling and Gauge Conversion works were in progress and 60 works were completed during the years 2011-12 to 2013-14. Besides, the above works, other Works like Bridge work, track facilities, signalling and telecommunication works, etc. were also taken up by the Construction Organisation of the Indian Railways. 2241 such works were in progress and 488 such works were completed during the years 2011-12 to 2013-14. For detailed check, the under mentioned sample size determined separately for each zonal formation was adopted:

In all the Zonal Railways a total of 269 ongoing works and 67 completed works (total 336 works) were selected for audit as given in Schedule “5.0”. The Railway Administration provided the required information/ record in respect of 226 ongoing works and 54 completed works (total 280 Works) to audit. The information/record for remaining 56 works was not made available to audit as commented in below.

### 3.6 Scope limitation

The scope of audit was limited due to non-availability /non-maintenance of information/ records by the Zonal Railway administration as detailed in Schedule “5.1”. The scope was also limited due to non-response to the audit observation communicated to the Railway administration in 15 out of 17 Zonal Railways. Response was furnished only by SECR and NCR.

Also despite efforts, exit conference was not held in two<sup>145</sup> Railways out of 17 Railways on account of non-responsiveness on part of the Zonal Railways.

The Review was issued to Railway Board on 10 February 2015. Railway Board’s response is still awaited. An exit conference was held with the officials of Railway Board on 16 April 2015.

### 3.7 Audit findings

#### 3.7.1 Methodology adopted for assessment of D&G Charges required for undertaking the construction projects

Zonal Railways are required to provide D&G charges for staff and non-staff costs as prescribed by the Railway Board circulars applicable at the time of preparation of the works estimate. The work charged posts are created and operated for undertaking of the works against provisions made in work estimates. Railway Board has prescribed the guidelines for determining the number of work charged posts to be operated by linking it to the work load (*Appendix I*) and continued availability of D&G charges in the work (*Appendix II*). The posts are sanctioned year wise based on the above criteria. This involves assessment of the cost of work charged posts. However, the cost of a post was found to have been assessed differently by different Zonal Railways as discussed in Para 3.7.1.1. Also the

<sup>145</sup> ECR and ECoR.



operation of a number of posts between various scales were found to be at variance with the prescribed norms by the Railway Board which also resulted in excess operation of posts in Senior Scale in place of Junior Scale cadre as discussed in Para 3.7.1.2.

### **3.7.1.1 Inconsistency in estimation of cost of staff for creation of Work Charge Posts**

Paragraph 776 of Indian Railway Code for Finance Department (F-I) provides that no portion of the pay and allowances of permanent open line staff shall be charged to Capital, Depreciation Reserve Fund, Development Fund or Accident Compensation, Safety and Passenger Amenities Fund or Open Line Works-Revenue, as the case may be, when such staff is employed on special works and the vacancies thus caused in the open line cadre remain unfilled. The cost (less return value) of tools and plant specially purchased and the cost of any posts specially created, for the supervision or construction of a work chargeable purely to Capital or Depreciation Reserve Fund or Development Fund or Accident Compensation, Safety and Passenger Amenities Fund or Open Line Works-Revenue, is debited to Capital, Depreciation Reserve Fund, Development Fund or Accident Compensation, Safety and Passenger Amenities Fund or Open line Works-Revenue, as the case may be. The cost of a post, for the purpose of this rule includes the leave salary and contribution towards passages, pensions, provident funds, bonus and special contribution to provident fund which the holder of the post may be entitled to. Thus, the cost of a post chargeable to a work (work charged post) is to be assessed on accrual principles.

Further, measurement of pension liability is required to be done on actuarial basis as per Paragraph 339 of Indian Railways Financial Code Vol.-1 (F-1).

The cost of work charged post should include Mean Pay (Pay), Grade Pay (GP), Dearness Allowance (DA), House Rent Allowance (HRA), Transport Allowance (TPA), leave salary contribution (LSC), contribution towards passages (TA), pension valued on actuarial basis (Pension and NPS) and any applicable contribution on account of provident fund contributions. In case of cost of non-gazetted work charged posts element of bonus is also applicable.

It was seen that different Railway formations were assessing the cost of work charged posts differently. The variance noticed in assessment of cost of work charged posts in Zonal Railways was as under:-

- In NWR the element of HRA and TPA were included while assessing the cost of gazetted posts but were left to be incorporated in assessing the cost of non-gazetted posts. Besides, the applicable elements of Bonus, LSC, TA, Pension and NPS were not being included in the assessed cost of work charged staff.
- In ECoR, Metro Railway/Kolkata, SECR, SWR and WR the element of HRA, TPA, Bonus, LSC, TA, Pension and NPS were not being included in the assessed cost of work charged posts.
- In NCR, in case of gazetted staff, HRA, TPA and NPS have not been taken into account by any department. PF, DCRG and LSC have been taken by Engineering, S&T and Accounts department but not by Electrical department

for Gazetted posts. TA has not been taken by S&T department for Gazetted posts. In case of Non-gazetted staff element of Pension and TA have not been included in Engineering Department, HRA, TPA, Bonus, LSC and Pension have not been included in S&T Department, LSC has not been included in Electrical Department, Pension and NPS have not been included in any department for assessment of cost of posts.

- In CR, NR, SCR, SER and WCR the element of Bonus, TA, LSC, Pension and NPS were not being included in the assessed cost of work charged posts.
- In ECR the element of Bonus, TA and NPS were not included in the assessed cost of work charged posts. The LSC and Pension Contribution was estimated @ 14.65 per cent of the total of Basic Grade Pay. It was included under the description PF, DCRG etc.
- In NFR the element of HRA, TPA, Bonus, TA and NPS was not included in the assessed cost of work charged staff. The LSC was estimated @ 11 per cent of the total of Basic Pay and DA. Pension Contribution was estimated @ 10 per cent of Basic Pay.
- In ER and SR, the element of LSC, Pension and NPS has not been included in the assessed cost of work charged posts.
- In NER, the element of NPS has not been included in the assessed cost of work charged posts. The LSC was estimated @ 11 per cent of the total of Basic Pay and DA. Pension Contribution was estimated @ 12.5 per cent of Basic Pay plus DA.
- In ECR, NER and NFR the element of Pension Contribution and LSC were taken at different rates while assessing the cost of the work charged posts. However, these expenses on accrual principle were not reflected in the expenditure of the work charged posts.
- The elements included in assessment of cost of a work charged post in various Zonal Railways formation shows prevalence of local practices despite instructions of Railway Board required to be followed uniformly. The variance in NWR and NCR between Gazetted posts and Non-gazetted posts as well as variance between different departments reflects lack of effectiveness of the associated finance as the proposals are also vetted by the associated finance. Assessing the cost of a work charged post without inclusion of various elements prescribed indicate weaknesses in the financial scrutiny. Even in Zonal Railways where elements of accrual character like LSC and pension contribution were included in the assessment of the cost of post, no corresponding expenditure for these elements was found reflected in the accounts.

The results of the review are as under-

- This led to underassessment of the cost of work charged posts to the tune of ₹1327.59 crore for gazetted and non-gazetted posts created/operated during 2011-12 to 2013-14. The cost of posts has been assessed by audit as per following measurement parameters.

- The valuation of leave salary and pension liability has been assessed by audit on the basis of leave salary<sup>146</sup> and pension contribution<sup>147</sup> as applicable to contribution during Foreign Service. However, pension liability is to be assessed on actuarial basis which would be significantly higher than that applicable to contribution during Foreign Service. This actuarial valuation has not been assessed by the Railway Administration. Audit recommends that railway administration should determine it on actuarial basis. The issue was highlighted under Para 3.3.4.2 of Audit Report No. 12 of 2013 (for 2011-12) (Railways). In reply vide Action Taken Note, Railway Board agreed to the audit contention.
- Bonus has been worked out on actual payment basis.

The details of the under assessed costs are given below:

- The under assessment of the cost of 9139 Gazetted posts during the years 2011-12 to 2013-14 was assessed at ₹227.83 crore as detailed below-

**Table 3.1**

Year	Number of Posts	Total under assessed cost (₹in Crore)
2011-12	3181	74.00
2012-13	3096	79.04
2013-14	2862	74.78
<b>Total</b>	<b>9139</b>	<b>227.83</b>

- Similarly the under assessment of cost of 63579 Non-Gazetted posts during the year 2011-12 to 2013-14 was assessed at ₹1099.77 crore as detailed below:

**Table 3.2**

Year	Number of Posts	Total under assessed cost (₹in Crore)
2011-12	22574	375.09
2012-13	21298	368.46
2013-14	19707	356.22
<b>Total</b>	<b>63579</b>	<b>1099.77</b>

- The measurement of the assessed cost of the post determines the number of posts that can be operated within the year from the available D&G charges of the works to be carried out. Assessing the cost at a lower level excluding the mandatory elements in measurement of the cost of the posts leads to operation of larger number of posts. Hence, this underassessment of expenditure of posts has resulted in excess operation of posts against available D&G charges for establishment purpose.

<sup>146</sup>Leave Salary Contribution @ 15% for Gazetted staff and 12% for non-gazetted staff has been taken as per provision made in Para 2007 of Indian Railway Establishment Code Vol. II.

<sup>147</sup>Pension Contribution @ 15% for Gazetted staff and 12% for non-gazetted staff has been taken on an average basis of provisions made in Para 2007 of Indian Railway Establishment Code Vol. II.



- The operation of excess posts due to incorrect measurement leads to avoidable expenditure with potential consequences like non-availability of funds for execution of works and/or delay/non-completion/reduction in scope of work. This aspect was also pointed out by Chairman Railway Board to the General Managers (GMs) of the Zonal Railways through his letter dated 26<sup>th</sup> March 2014.
- Railway Accounts are based on commercial principles. In the commercial principles, accounting is carried out on accrual basis and measurement principles are stated in the accounting policies. Operation of more posts than permissible under applicable instructions by leaving out expenses that are associated with the operation of a post ultimately leads to understatement of capital expenditure and overstatement of revenue expenditure because left out expenses are actually paid by open line at the time of retirement of the officials.

During exit conference Financial Advisor & Chief Accounts Officer (FA&CAO) SER stated that there is a letter of Railway Board that pensionary benefits are not required to be taken for D&G Charges. However, no authority for the same was made available. The reply is not tenable as any such instructions of Railway Board would be contrary to the provisions of Para 776 of F-1 and would impact on the basic character of accounting prescribed for Indian Railways i.e. its accrual character.

In the reply received from ECoR, the Railway Administration have stated that the provisions of Para 776 -F1 are applicable only for special posts but not for normal construction work charged posts and the work charged posts are manned by permanent staff. These remarks are not tenable as the posts created for the works executed by construction organisation are specially created for the supervision or construction of a work and are covered under para 776 of F-1. There are no temporary or permanent posts sanctioned for construction organization.

North Central Railway Administration in their reply stated that they are taking into account the elements of staff gratuity, leave salary, house rent allowance and transportation allowance. However, cost of bonus and pension contribution was not considered while assessing the cost of posts. In future all additional cost as suggested by audit will be taken into account during assessment of cost of work charged posts after connecting necessary policy guidelines.

The Indian Railway (IR) Administration should therefore estimate the cost of a work charged post as envisaged in the Paragraph 776 F-1 and properly assess the cost attached to the posts being operated/ created.

#### **3.7.1.2 Non Maintenance of ratio in Operation of Posts in Senior Scale and Junior Scale Cadre**

As per the yardsticks for creation of work charged posts in Construction Organisation prescribed by Railway Board for the year 2011-12 to 2013-14, in case of Civil, Electrical and Signal & Telecommunication departments, the ratio of Senior Scale (SS) and Junior Scale (JS) posts should be 1:2 which can be relaxed

upto 1:1 at the discretion of the General Manager. In case of Stores Department, the ratio of SS to JS posts will be 1:2.

The promotion from Junior Scale to Senior Scale post is non-functional and salary of senior scale is higher than that of junior scale. General Manager is authorised to increase the number of posts to be operated in Senior Scale in place of Junior Scale in Civil, Electrical and S&T Departments as any operation of a post in Senior Scale in place of Junior Scale involves higher expenditure.

It was observed in Audit that the number of posts actually operated in all the zones of IR in SS cadre were in excess of the prescribed ratio. No relaxation of the General Manager for relaxing the ratio from 1:2 to 1:1 was found on record in any of the Railways. As such, without obtaining specific sanction from General Manager for relaxing the ratio of post of SS and JS, operation of the excess posts in SS cadre resulted in unauthorized excess expenditure of ₹70.12 crore. This included excess expenditure of ₹15.08 crore, ₹18.67 crore and ₹36.37 crore during 2011-12, 2012-13 and 2013-14 respectively.

- 4786 posts were operated in SS/JS cadre. 2481 posts were operated in SS cadre and 2305 posts in JS cadre. Thus, 835 posts in SS cadre were operated in excess of permissible ratio.
- This included 172 posts in SS cadre which were operated beyond the powers permissible to General Managers.
- The position of excess operation of posts in SS cadre is as under:-

**Table 3.3**

Year	Total number of posts operated in the Cadre			Total excess posts operated in SS cadre	Total number of posts in SS cadre operated beyond GM's powers
	SS	JS	Total		
2011-12	870	812	1682	291	56
2012-13	831	778	1609	279	63
2013-14	780	715	1495	265	53
Total	2481	2305	4786	835	172

- This leads to a higher expenditure on establishment than prescribed.

### **3.7.2 Distribution of D&G charges as per the stipulated provisions and Utilization thereof Efficiently, Economically, and Effectively**

Railway Board at least from year 2000 has prescribed maximum provisions that can be made for D&G charges within an estimate. The limit for these D&G charges has been prescribed for the Civil Engineering, Electrical Engineering, Signal and Telecommunications, Audit & Accounts, Stores, Traffic, Personnel, Medical, Vigilance and RPF (since March 2008) departments but norms for creation of gazetted posts based on Budget outlay in a year have also been prescribed by the Railway Board for Civil Engineering, Signaling and Telecommunications, Electricals, Accounts, Stores departments only.

It is thus seen that no norms for operation of gazetted posts have been prescribed for Traffic, Personnel, RPF, Operating and Commercial, Mechanical, Medical, General Administration and Vigilance departments

The audit findings relating to norms for distribution and utilization of D&G charges are given below:

### 3.7.2.1 Non Fixation of Norms/Yardsticks for operation of posts in Personnel, RPF, Mechanical, Medical, Vigilance, Traffic, Operating and Commercial Departments

While processing the approval of yardsticks for 2008-09, the Finance Directorate of the Railway Board had also desired that the basis for creation of posts is laid down uniformly across the departments and it was insisted upon by the Efficiency and Research (E&R) Directorate of Railway Board to work out the yardsticks for those departments which do not have yard sticks at present viz. Traffic, Personnel, RPF etc. While circulating the yardsticks in May 2008, the E&R Directorate of Railway Board confirmed that yardsticks for other Departments like Traffic, Personnel, RPF, etc. were being evolved and would be issued shortly.

It was seen in Audit that these yardsticks have not yet been fixed as of January 2015 even after a period of more than six years. This has not been questioned by the Directorates concerned in the subsequent years. 1023 posts in the Departments namely General Administration, Hindi/Law, Mechanical, Medical, Operating & Commercial, Personnel, RPF, Sports, Traffic and Vigilance in the cadre of SAG, JAG, SS and JS were created in IR (excluding NCR) in absence of norms and without proper justification during the years 2011-12 to 2013-14 as under:

**Table 3.4 - Department wise details of posts operated without stipulated norms**

Year/Name of Post	2011-12		2012-13		2013-14		Total	
	Total Posts	Total cost of Posts (₹ in crore)	Total Posts	Total cost of Posts (₹ in crore)	Total Posts	Total cost of Posts (₹ in crore)	Total Posts	Total cost of Posts (₹ in crore)
SAG	23	3.44	24	3.73	21	3.55	68	10.72
JAG	148	13.98	146	14.79	159	17.29	453	46.06
SS	116	9.87	124	11.42	121	12.05	361	33.33
JS	44	3.44	45	3.80	52	4.69	141	11.93
Total	331	30.73	339	33.74	353	37.58	1023	102.04

The required details (Departments and name of posts along with number of posts operated) in respect of NCR were not made available to Audit.

In this connection following observations are made:-

- The jurisdiction and nature of work attached to these posts in various departments mentioned above is related to Open Line organization. They have no relation with activities of Construction organisation. Even in the memorandum of sanctions issued by Personnel Branch, there was no mention as to which work estimates, the cost of these posts was proposed to be booked.

- During the review of sanction orders, it was found that in the column 'work to be charged' only an entry of 'D&G construction' is made without mentioning the name of a particular work (in which funds were provided by Railway Board) to which the cost of these posts will be allocated. Thus, these posts were operated merely because provisions exist in various work estimates and operation of these posts in Open Line/ Divisions where only maintenance work is done was not 'worth of charge'<sup>148</sup>. Hence, the operation of these posts was unjustified and resulted in booking of Revenue expenditure of ₹102.04 crore to construction works under Capital heads.
- The justification for creation of these posts was not available on record.
- This led to wasteful avoidable expenditure adversely affecting funds availability for the works. It further leads to postponing the undertaking of important works viz. renewal, up-gradation, modernisation, extension etc. as scarce resources are spent on the activities not related to the concerned work.

Operation of work charged posts in these departments without any norms leads to high risk of incurring infructuous expenditure as these posts are not connected with the execution of construction works. Detailed analysis with respect to operation of posts in Security Department is reflected under Para 3.7.2.2

### 3.7.2.2 Unjustified operation of posts of Security Department (RPF) in Construction Organisation

The Railway Board decided in March 2008 that provision of D&G charges should be made for RPF in such major Civil Engineering and Railway Electrification works viz. New lines, Gauge Conversion, Doubling and Electrification Works where GM certifies that works are being undertaken in hostile and adverse environment. The creation of RPF posts in such cases shall be on worth of charge basis.

The following were observed in Audit:

#### North western Railway

A proposal for creation of one SA Grade work charged post of Inspector General cum Chief Security Commissioner (IG cum CSC) in Security Department of Construction Organisation under Railway Protection Force (RPF) was sent to Railway Board in October 2008. This was approved by the Board in February 2009 by upgrading one Junior Administrative Grade post to SAG. The post has been in operation since then and its currency is being renewed by Railway Board annually.

The post was justified on the ground that the zone is located in high security sensitive area and the execution of works is in hostile and adverse environment. Similarly, to work with this upgraded post of Inspector General cum Chief Security Commissioner-Construction (IG cum CSC-Const.), a proposal for creation of one Company for deployment at construction sites, consisting of one post of Inspector Protection Force (IPF), 13 Constables and four Ancillary Staff was put forth in July 2008. The proposal was vetted by the associated finance at the zone for one post of

<sup>148</sup>All these posts were operated in Open Line /Divisions (where only maintenance work is carried out) instead of construction organisation (Capital works).

IPF and 11 posts of constables costing ₹18.56 lakh and the same was approved by the General Manager, NWR. It was observed in audit (February 2014) that this company created with D&G funds consisting of one inspector and 11 constables from 04.03.2009 to 30.06.2009 was neither operated nor extended further. Thus, the sanction of the General Manager was not need based.

It is therefore evident that these posts were created without any specific requirement/demand from the Construction Organisation but to create a post in the SAG scale for the security department. The upgraded post of IG cum CSC (Construction) NWR continues to be operated without any company and therefore not worth of charge basis. The cost assessed for this post was as under:

**Table 3.5** (Amount in ₹)

Year	Assessed cost of SAG Post per month	Total cost for the year
2011-12	147120	1765440
2012-13	158115	1897380
2013-14	169894	2038728
Total		5701548

Similarly, it was also noticed that four Senior Scale posts of Divisional Security Commissioner and one post of Assistant Security Commissioner operating in open line were upgraded to one scale higher chargeable to D&G charges of construction organisation NWR. The assessed cost of these upgraded posts was as under:

**Table 3.6** (Amount in ₹)

Year	Assessed cost of SS Post per month	Assessed cost of JS Post per month	Difference of cost of Post per month		Difference of cost of Post per annum		No. of Posts		Total cost
			JAG & SS	SS & JS	JAG & SS	SS & JS	JAG	SS	
2011-12	80932	66995	2611	13937	31332	167244	4	1	292572
2012-13	86846	72387	2772	14459	33264	173508	4	1	306564
2013-14	93182	77077	2945	16105	35340	193260	4	1	334620
Total									933756

In addition to the above posts two posts in non-gazetted cadre i.e. one Inspector Protection Force and one Personal Secretary-II were also sanctioned and operated in RPF department during the period 2011-12 to 2013-14 chargeable to D&G charges of Capital works. The assessed cost of these posts was as under:-

**Table 3.7** (Amount in ₹)

Year	Assessed cost of Post of IPF per month	Assessed cost of Post of PS-II per month	Assessed cost of Post of IPF per annum	Assessed cost of Post of PS-II per annum	Total cost of posts of IPF & PS-II
2011-12	61545	61545	738540	738540	1477080
2012-13	66097	66097	793164	793164	1586328
2013-14	69878	69878	838536	838536	1677072
Total					4740480

Thus, the assessed cost of Gazetted and Non-Gazetted posts in RPF department during the years 2011-12 to 2013-14 was as under:-



**Table 3.8**

(Amount in ₹)

Year	Cost of Gazetted post	Cost of non-gazetted posts	Total cost
2011-12	2058012	1477080	3535092
2012-13	2203944	1586328	3790272
2013-14	2373348	1677072	4050420
Total			11375784

In this connection it was seen that IG cum CSC (Constn.) in May 2013 had advised the Chief Administrative Officer (Constn.) NWR that the gazetted posts upgraded in Open Line against the D&G charges of Construction Organisation were not at all required in Construction as there was no need of these posts.

Hence, it is seen in audit that the posts operated in Security Department of NWR against D&G charges of construction and expenditure incurred thereon amounting to ₹1.14 crore (₹0.35 crore, ₹0.38 crore and ₹0.41 crore during 2011-12, 2012-13 and 2013-14 respectively) was without worth of charge and in contravention to Railway Board's instructions.

### South Eastern Railway

Two gazetted posts (JAG) under D&G charges have been created in SER. The posts have been in operation since their creation and its currency is being renewed annually.

- The post of Deputy Chief Security Commissioner (JAG), which is being operated as Senior Deputy Security Commissioner cum Principal/ Zonal Training institute/ Kharagpur (KGP) is being operated from 22<sup>nd</sup> April 2009.
- The post of Senior Deputy Security Commissioner at Chakradharpur (CKP) (Sr.DSC/CKP) is being operated from 1<sup>st</sup> May 2012. It is being operated from the pool of work charged post of S&T under Construction Department. The payment of salary of the post of Sr.DSC/RPF/CKP was sanctioned provisionally by GM/SER for the period from 1<sup>st</sup> December 2012 to 30<sup>th</sup> June 2013 after getting approval from FA&CAO/Garden Reach Road, Kolkata. It was justified on the ground that the division faces serious law and order situation and the post was required for maintaining better and effective liaison with district authorities of Jharkhand and Odisha.

It is, therefore, evident from above that these posts were created without any specific demand from the Construction Organisation and were being operated in violation of Railway Board's directives on the subject.

### 3.7.2.3 Incorrect allocation of expenditure

As per Railway Board's directives issued from time to time, the cost of Gazetted and Non-Gazetted staff required for providing supervision and direction in the field as well as in the headquarters during the execution of works and other expenditure such as plant construction, instruments, office expenses, temporary residential accommodations, loss of cash and stores, operating expenses pending opening of the line for traffic etc. has to be charged under D&G Charges. The expenditure incurred for the purpose other than above should be booked under the respective heads of accounts to which it pertains.

The irregularities in booking of expenditure noticed in scrutiny of audit of works registers, paid bills, journal slips/vouchers and adjustment memos relating to selected construction works of IR are discussed as under:

**(a) Incorrect allocation of non-D&G component of Expenditure to D&G charges within the same work**

- An expenditure of ₹82.80 crore (₹1.86crore, ₹78.59crore and ₹2.35 crore during the years 2011-12, 2012-13 and 2013-14 respectively) pertaining to Structural Engineering Works (i.e. Formation, Permanent Way, Bridges, Stations and Buildings), Equipments, Plant and Machinery etc. which was to be booked to the non D&G component of the work was incorrectly reflected under D&G Charges, in NER, NFR, NWR, SECR, SWR and WR.

Thus, the expenditure incurred for other purposes and allocated incorrectly to D&G heads within the work has resulted in overstatement of D&G charges to the tune of ₹82.80 crore.

**(b) Incorrect allocation of D&G charges to non-D&G component within the same work**

- An amount of ₹4.72 crore, ₹2.84 crore and ₹4.62 crore (totalling to ₹12.18 crore) relating to D&G charges was incorrectly booked to other heads of accounts (within the work) during the year 2011-12, 2012-13 and 2013-14 respectively in CR, ER, NER, NFR, NWR, SECR and SWR.

This resulted in understatement of D&G charges to the tune of ₹12.18 crore as detailed below-

**Table 3.9**

(₹ in lacs)

Incorrect booking of D&G Charges to other Heads of Account								
Zonal Railway	CR	ER	NER	NFR	NWR	SECR	SWR	Total
Establishment	0	10.51	743.23	0	1.98	8.21	1.41	765.34
Other than Establishment <sup>149</sup>	0.16	0	65.08	360.02	25.47	0.01	1.90	452.64
Total	0.16	10.51	808.31	360.02	27.45	8.22	3.31	1217.98

**(c) Incorrect adjustment of establishment component of D&G charges from one work to another work**

- In NWR, an amount of ₹1.66 crore pertaining to establishment component of D&G charges was booked to Jaipur-Sikar-Loharu Gauge Conversion project (P-1487-01). This was transferred vide Journal Vouchers (JV) No. C/3 in August 2012 to the following works under Construction unit/Bikaner:

<sup>149</sup> See detail in foot note 1.

Table 3.10

Sr. No.	Particulars	Amount (₹)
(i)	RE-Yard Remodelling work (DF-3 1687-01) vide Adjustment Memo No: CSTE/C/JP/9/3 dated 07.09.2012	31,00,000
(ii)	RE-HSR Std. III (Cap- 1687-01) vide Adjustment Memo No. CSTE/C/JP/9/3 dated 07.09.2012	1,35,00,000

- The period to which the amount was initially booked to JP-SIKR-LHU project is not available on record. Besides this, the details of Salary bills to which the amount pertained are also not available. A lump sum amount was transferred to the above two works without any specific reasons on record.
- In Metro Railway, prior to the year 2013-14, entire establishment component of D&G charges pertaining to Metro Railway were booked to the projects DUMDUM-TOLLYGUNGE (Phase I) TOLLYGUNGE-NEW GARIA (Phase II). Since 2013-14, the same were booked to the project NOAPARA-BARASAT via BIMANBANDER.

Audit observed that the establishment component of D&G charges were being booked to only one project whereas five projects were being under taken by Metro Railway. Metro Railway Administration stated the booking to one project was due to insufficiency of funds.

It is thus seen in Audit that the booking of D&G charges is not being done in transparent manner.

**(d) Incorrect allocation of establishment component of D&G charges to other than Establishment component of D&G charges of another work**

In North Western Railway, an amount of ₹ 0.11 crore pertaining to regular salary of Feb. /Mar. 2011 (2010-11) was booked under the work Road Over Bridge (ROB) on Level Crossing (LC) no. 63. This amount was transferred to Revenue vide JV No. 4 of August 2012. The Revenue Head to which the amount was transferred was not mentioned in the JV. Subsequently, the amount was again transferred to Capital vide JV No. R/12 of August, 2012 and booked under Deposit work Dungarpur – Ratlam (DNRP-RTM) New Line (20119308) i.e. Capital-General Charges “(Other than Establishment- office expenses-Others).

Thus, an amount pertaining to salaries paid in 2010-11 and booked under Capital (Safety Works) was transferred without any details or reasons to Revenue in 2012-13 and then again to Capital (Deposit Work) but under Office Expenses-Other than Establishment. This indicates irregular and unwarranted transfer of Establishment Charges to Other than Establishment.

Thus, by booking the D&G (establishment) charges to Office Expenses, the D&G charges (establishment) booked have been understated to the tune of ₹ 0.11 crore.

**(e) Incorrect allocation of non-establishment component of D&G charges of one work to another work through execution of an unsanctioned work**

In SCR, it was noticed that D&G charges other than establishment charges (construction of temporary sheds) of various sanctioned estimates from different sources of funds such as Capital, Capital Fund, DRF, Safety Fund, Deposit Works, etc. were shown as utilised for construction of Rail Nirman Bhavan, Secunderabad at a cost of ₹16.25 crore. This work was not sanctioned by competent authority. However, work code No. 007419 was allotted to the work under accounting head 43646103. This issue has already been pointed out in Annexure-J<sup>150</sup> to Appropriation Accounts for the year 2011-12. This work of ₹16.25 crore was not even a part of the work resulting in unauthorised execution of an unsanctioned work.

**(f) Incorrect booking of expenditure of D&G charges from Capital Works to Revenue Account.**

The post of FA&CAO/ Metro Railway was sanctioned as work-charged HAG post of Construction Organisation. However, the salary of the said post was booked in the O&M unit of Metro Railway under the Revenue head (03-211-01) instead of booking it in the Construction Estimates under Capital head. Thus, the cost of D&G charges of the Projects was understated to the extent of ₹0.41 crore (Salary of FA&CAO/M. Rly from October 2012 to March 2014.).

**(g) Incorrect booking of Revenue expenditure to D&G charges of Capital works including irregular acceptance of debits of revenue expenditure to booking against Work Charged Posts/estimates.**

- It was noticed that an expenditure of ₹37.73 lakh, ₹18.78 lakh and ₹172.78 lakh (totalling to ₹229.29 lakh) in the years 2011-12, 2012-13 and 2013-14 respectively pertaining to Revenue heads of Open Line incurred on repairs to quarters/ORHs/Bungalows, foundation stone laying, telephone bills, payment of leave encashment, Group Insurance Scheme (GIS) and salary bills of cash office etc. was incorrectly booked to D&G charges head of Construction projects. This led to overstatement of Capital expenditure and understatement of revenue expenditure.
- Further, in WCR, a Transfer Certificate for ₹1.80 crore relating to D&G charges were not accepted by Construction Organization, However, the said amount had been arbitrarily debited by FA & CAO office and it was kept under Deposit Misc. by the Bhopal construction unit. Dy. CE (C)/Bhopal (February 2014) stated that the said debit did not pertain to works being carried out by his office. This amount was thus, not worth of charge.
- In SER, Pay and allowances of the officers and staff of Chief Administrative Officer (Construction) [CAO (CON)] office was booked to a single estimate each month and not equitably amongst all the estimates. During financial year 2013-14, the budget outlay for Tamluk – Digha New Line project was

<sup>150</sup>Annexure J- Statement of misclassifications.

of ₹10 crore against which an expenditure of ₹9.84 crore was booked upto October 2013. There was an excess booking of ₹1.99 crore towards salary for Open line officers of Financial Advisor and Chief Accounts Officer/ Establishment Gazetted (FA&CAO/EGA) and Chief Personnel Officer/ Garden Reach, Kolkata (CPO/GRC) to the tune of ₹68.33 lakh, FA&CAO/Construction/Gazetted [FA&CAO/CON/GAZ] – ₹58.58 lakh and FA&CAO/Construction (Non-gazetted) [FA&CAO/CON (NG)]– ₹71.91 lakh. This was 20 per cent of the total budgetary outlay for this project and resulted in pending of number of contractual bills for want of funds. Railway administration transferred the establishment booking of FA&CAO/CON/GAZ– ₹58.58 lakh and FA&CAO/CON (NG) – ₹71.91 lakh to other construction estimates where funds were available through Journal Voucher (JV). Further, as there was no provision in construction estimate for booking of salary of FA&CAO/EGA and CPO/GRC, Railway Administration issued a JV reversing the establishment booking of these two officers.

- In terms of Para 406 of Indian Railway Code for Accounts Department, Volume I (AI), the transfer between the two Accounting units<sup>151</sup> within the same Railway should be effected by means of Transfer Certificates (TCs). The unit initiating the transfer should prepare the Transfer Certificates in form A406 in duplicate and send a copy duly supported by the initial accounts records or vouchers containing details of the transactions to the unit to which the transaction pertains and retain the other copy as the office copy.

Review of system of acceptance of TCs in IR revealed that:-

- A number of work charged posts are being operated in various departments of Open Line Organization which are not related to the activities of the Construction Organisation. The expenditure on these posts is incurred by the Open Line Organisation and sent to construction accounts for acceptance of the debits. Necessary details such as name, designation, amount of pay and allowances employee wise were not enclosed with the respective TCs sent by the open line. Despite this, these TCs were accepted by the Construction Organisation in contravention to Paragraph 406 of AI.
- The TCs do not have any reference to the work estimate to which the pay and allowances are proposed to be allocated. The expenditure of certain posts is being divided without a) relating the activity of the post to the concerned work; b) without obtaining details to support the booking of expenditure to the work.
- Accounts Office of Construction department which accepts the debits of work charged posts being operated in open line does not check whether the pay and allowances of the posts are of open line wing or for construction wing and whether these posts have the sanction of competent authorities and whether the posts have financial concurrence, leaving ample scope for irregular operation of these posts.

<sup>151</sup> Accounting units means Accounts office of Headquarters (Construction/open line), Divisions, Workshop, Traffic, Stores and construction in field offices.



As these posts were not connected with the functions of the Construction Organisation, the acceptance of debits was unjustified and therefore not worth of charge as per the Railway Board's instructions. This resulted in incorrect classification of revenue expenditure as capital expenditure. This included booking of expenditure of

- (a) Seven Non-Gazetted posts (up to June 2011) and 5 NG posts (from July 2011 till date) of Operating Department in Western Railway which were charged to D&G of Civil Department with Financial concurrence to prevent excess booking of expenditure in Open line revenue that had arisen on account of irregular operation of 22 posts under Traffic Department in Open line. The savings on the Revenue grant were used to extend the currency of 6 Gazetted posts in Operating Department in 2011-12;
- (b) One SAG level post in Western Railway which has been in operation since 1998 in the Open Line, the expenditure of which is being debited to the Construction Organisation on the directives of the Railway Board;
- (c) five posts of Chief Vigilance Inspector were being operated without sanction from April 2012 in Southern Railway with their expenditure being booked to Construction works instead of operating these posts under respective Revenue Grants;
- (d) ₹24.54 crore paid as salary in Open Line in East Central Railway which was adjusted through Journal Voucher (JV) and booked to D&G charges (establishment) to various projects under construction. The JV was not supported by the details of period and number of staff to which the expenditure related. The lump-sum amount has been picked up and transferred to various works without any specific reasons being assigned on record.

The cost of the posts operated in open line and accepted by Construction Organisation worked out to ₹37.12 crore, ₹49.00 crore and ₹60.07 crore during the years 2011-12, 2012-13 and 2013-14 respectively in all the Zonal Railways. Thus, the booking of revenue expenditure of ₹146.19 crore as capital expenditure resulted in reduction of availability of funds for works and had an adverse effect on renewal, modernisation and upgradation of railway assets both in terms of quantity and time.

(Annexure IX)

#### **3.7.2.4 Absence of transparent mechanism for identifying establishment expenditure classified to the work under D&G charges with the corresponding use of the work charged posts for the work**

Railway Board fixes the yardsticks for creation/extension of posts of Gazetted Staff in construction projects on an annual basis under D&G charges. The yardsticks as fixed are in terms of annual gross outlay for all departments. The expenditure likely to be incurred on all works during the year should be taken into account for working out the required work charged establishment.

In July 1985, Railway Board stressed to ensure that the percentage of cost of work charged establishment to the expenditure incurred on those works during the year is not more than the prescribed limit. Railway Board had instructed (Feb 2011) that prescribed D&G charges are the maximum limit and endeavour should be made to

restrict the actual provision to the barest minimum. Mere availability of outlay should not be the basis for such an assessment. Over all expenditure on work charged establishment should be within the prescribed D&G charges.

Audit scrutiny of projects selected for review indicated that although the Railway Administration had assessed the D&G charges work wise/ project wise, as per the prescribed percentages of D&G charges for various construction projects, yet the amount booked against a particular work in a particular year was not in accordance with the percentage fixed to the determined estimation of the expenditure in the concerned work. The results of review are summarised as under:-

**Table 3.11**

Year	Number of works covered during Audit	D&G expenditure to total expenditure (Range of percentage expenditure)		Number of works where expenditure on D&G charges on the work during the financial year was in excess of		
		Maximum	Minimum	25 per cent and upto 50 per cent of total expenditure	50 per cent and upto 75 per cent of total expenditure	75 per cent of total expenditure
2011-12	280	100	0.06	16	8	13
2012-13	280	104.17	0.01	19	5	10
2013-14	280	100	0.02	12	11	13

- The fact that D&G charges booked for work being executed constituted as much as up to 104.17<sup>152</sup> per cent of the total expenditure booked in some of the works proves that these charges are being booked even without any physical progress during the year.
- It is further seen that in respect of 36<sup>153</sup> works in progress during the years 2011-12 to 2013-14 where more than 75 per cent of total expenditure was utilised on D&G charges leading to indiscriminate booking of expenditure under D&G charges, booking of D&G charges is actually being done to the works where funds are available. This finally leads to a situation where at the time of actual requirement of work charged posts for the work, the D&G charges available in the concerned work are already exhausted. This aspect has also been commented upon by the Chairman Railway Board vide his letter dated 26<sup>th</sup> March 2014 addressed to all General Managers including GM/Metro and GM (Const.)/NFR/PUs.
- In ER and ECR work wise details of booking of D&G charges were not provided by the Railway Administration.
- There was absence of a transparent system of linking the extent of the use of the work charged posts on a work to the expenditure booked under establishment component of the D&G charges of the work which was

<sup>152</sup>In SWR gross expenditure booked was Rs. 6083000 and during the year credit received was ₹ 3014000. Thus the net expenditure for the year 2012-13 was Rs. 3019000 against which amount booked in D&G heads was ₹ 3145000 i.e. 104.17% of the actual expenditure.

<sup>153</sup>In 2011-12 total 13 works (ECoR-2, NR-2, SCR-2, SER-1, SR-4 and WR-2), in 2012-13 total 10 works (CR-1, NCR-1, NR-2, NWR-1, SR-2, SWR-1, WCR-1 and WR-1) and in 2013-14 total 13 works (ECoR-2, NCR-1, NR-3, NWR-1, SCR-1, SECR-1, SR-3 and WCR-1).

facilitated by acceptance of TCs with incomplete details and defective maintenance of works registers as detailed in Para 63.7.3.1 respectively.

### **3.7.2.5 Excess operation of posts with respect to actual expenditure**

Provisions for Work Charged posts are made in the estimates of Capital works as a percentage of estimate classified as D&G charges. These charges are specified by Railway Board from time to time with the latest being in February 2011. The Work Charged posts are justified, created/extended on the basis of Budget outlay for the year concerned. In November 2011, Railway Board instructed that the creation of posts should be need based and on worth of charge.

The process of preparation of Budget commences at the field unit level<sup>154</sup>. The field units prepare estimates of expenditure under different heads which forms the base for forecasting the requirement of funds for the concerned year. The estimates are then compiled and scrutinized at the Zonal Headquarter level for consideration and final allotment by Railway Board. Railway Board also scrutinizes the estimates received from all the Zones. The estimates of expenditure are presented to the Parliament in the form of 'Demand for Grants'. After passing of Appropriation Bill by the Parliament, budgetary allocations are made work wise to all the Zonal Railways. On allotment of funds by Railway Board, department wise distribution of funds is made at Zonal level by CAO (C) or GM(C). The progress of expenditure is monitored through Monthly financial reviews prepared by Accounts Officers for submission to the controlling authorities every month. Three budgetary reviews are made during August, December and February to review the requirements of funds. On this basis re-appropriations/final allotment of funds are made by Railway Board. In the final Budget Allotment orders Plan Head<sup>155</sup> wise funds are allocated by Railway Board and this compromises the original work wise allotment made at the time of original Budget allocation. This mechanism facilitates undertaking/ emphasis/ prioritisation of works different from that in the original Budgetary Allotment. The final budget allotment received from the Railway Board is further distributed work wise by the Zonal Railway administration.

The results of the review of expenditure are not being extended to assess the impact of change of expected expenditure on availability of corresponding D&G charges. The Chairman Railway Board in March 2014 also stressed the need to reassess the work charged posts on the basis of subsequent revision in the Budget Grants. No assessment involving upward or downward revision in operation of work charged posts was noticed (December 2014). The Chairman Railway Board obtained information for determining the impact of change of expenditure on the gazetted posts to be operated under D&G charges in July 2014 and found that this extension of the results of review of expenditure would have led to reduction in 93 number of Gazetted Posts (HAG-6, SAG-12 and JAG-75) operated under D&G charges in 2013-14.

<sup>154</sup>Deputy Chief Engineer's office in construction units of Zonal Railways.

<sup>155</sup>New Line (1100), Gauge Conversion (1400), Doublings (150), Traffic facilities (1600), Rolling stock (2100), Bridge works (3200), Signalling and telecommunication works (3300), Workshops including Production Units (4200), Other specified works (6400) etc.

However, no further action in the matter to reduce these posts has been found to be taken by Railway Board.

During the years 2011-12, 2012-13 and 2013-14, the Budget Grant for Civil Engineering and its Survey, S&T and Survey, Electrical and its Survey was ₹18022 crore, ₹15490 crore and ₹13645 crore respectively. The Final Grant for these years was ₹12904 crore, ₹13482 crore and ₹15008 crore respectively against which the Actual Expenditure booked in these years was ₹13191 crore, ₹13347 crore and ₹14928 crore respectively.

It was observed that:

- During the years 2011-12 and 2012-13 the overall expenditure was less than the original budget grant (the basis on which the work charged posts are justified and created) to the tune of ₹4831 crore (26.81 per cent) and ₹2143 crore (13.83 per cent) whereas during 2013-14 the overall expenditure was in excess to the original budget grant to the tune of ₹1283 crore (9.40 per cent).
- The final grant is issued at the fag end of the financial year to align it to actual expenditure. After revision of budget grants, the proportionate changes in the work charged posts created on the basis of original budget grant are not made resulting in excess operation of posts leading to excess booking of expenditure on D&G charges.

Further, the impact of reduction of budget outlay at the time of final grant and actual expenditure, was also reviewed and it was observed-

- During the years 2011-12, 2012-13 and 2013-14, re-assessment of work charged posts in Civil Engineering, Signal & Telecommunication, Electrical, Stores and Accounts departments on the basis of Final Grants would have led to saving of ₹51.25 crore<sup>156</sup>, ₹44.25 crore<sup>157</sup> and ₹75.24 crore<sup>158</sup> respectively involving 531, 420 and 697 number of Gazetted posts during 2011-12, 2012-13 and 2013-14 respectively.

<sup>156</sup> ₹1.76 Crore (CR), ₹5.23 Crore (ECoR), ₹4.17 Crore (ECR), ₹0.86 Crore (ER), ₹1.08 Crore (NCR), ₹0.3 Crore (NER), ₹5.28 Crore (NR), ₹2.34 Crore (NWR), ₹3.09 Crore (SCR), ₹4.6 Crore (SECR), ₹0.96 Crore (SER), ₹0.5 Crore (SR), ₹1.13 Crore (SWR), ₹12.07 Crore (WCR) and 7.89 Crore (WR).

<sup>157</sup> ₹1.53 Crore-(CR), ₹3.05 Crore-(ECoR), ₹6.39 Crore-(ECR), ₹0.72 Crore-(ER), ₹0.71 Crore-(Metro Railway), ₹1.58 Crore-(NCR), ₹1.29 Crore-(NER), ₹3.93 Crore-(NR), ₹2.1 Crore-(NWR), ₹2.33 Crore-(SCR), ₹2.19 Crore-(SECR), ₹0.51 Crore-(SR), ₹0.1 Crore-(SWR), ₹12.36 Crore-(WCR) and ₹5.44 Crore-(WR).

<sup>158</sup> ₹1.97 Crore (CR), ₹1.61 Crore (ECoR), ₹11.16 Crore (ECR), ₹3.97 Crore (ER), ₹2.89 Crore (Metro Railway), ₹4.48 Crore (NCR), ₹1.87 Crore (NER), ₹0.34 Crore (NFR), ₹6.04 Crore (NR), ₹4.18 Crore (NWR), ₹4.1 Crore (SCR), ₹3.77 Crore (SECR), ₹1.08 Crore (SER), ₹4.06 Crore (SR), ₹0.86 Crore (SWR), ₹16.41 Crore (WCR) and ₹6.45 Crore (WR).

- Similarly, during the years 2011-12, 2012-13 and 2013-14 it was noticed that an extra expenditure of ₹52.05 crore<sup>159</sup>, ₹48.08 crore<sup>160</sup> and ₹77.20 crore<sup>161</sup> had been incurred in comparison to quantum of work in monetary terms (actual expenditure) executed by the post holders.

Thus, due to non-reduction of posts proportionate to decline in expenditure against the outlays, the Railway Administration had to incur an extra expenditure of ₹177.33 crore under D&G charges on Gazetted Posts during the years 2011-12 to 2013-14. The assessment of the excess operation of non-gazetted posts on this account is not possible in absence of a similar yardstick for non-gazetted posts.

## Annexure X

### 3.7.2.6 Excess expenditure over sanctioned estimate on D&G charges

Consequences of irregular booking and non-reduction of posts proportionate to decline in expenditure against the outlays were noticed in the review of 226 on-going and 54 completed works covered in audit in the form of excess expenditure against provision in the D&G charges as under-

#### (a) Ongoing projects

- Booking of D&G charges (Establishment) in excess of provision made in the estimates amounting to ₹1275.58 crore was noticed in 53 works out of the 226 construction works covered in audit.
- Booking of D&G charges (Other than Establishment) in excess of provision made in the estimates amounting to ₹231.48 crore was noticed in 49 works out of the 226 construction works covered in audit.
- In 20 works in which separate breakup of establishment and other than establishment charges under the head D&G was not available, an amount of ₹999.04 crore was booked against the provision of ₹299.67 crore made in the estimates resulting in excess expenditure of ₹699.37 crore.
- The details of establishment and other than establishment charges under the head D&G either in the estimates or actual amount booked in the works concerned were not available in 10 works.

<sup>159</sup> ₹1.76 Crore (CR), ₹5.65 Crore (ECoR), ₹4.48 Crore (ECR), ₹0.67 Crore (ER), ₹1.08 Crore (NCR), ₹0.39 Crore (NER), ₹0.29 Crore (NFR), ₹4.43 Crore (NR), ₹2.53 Crore (NWR), ₹2.72 Crore (SCR), ₹4.6 Crore (SECR), ₹1.21 Crore (SER), ₹0.5 Crore (SR), ₹1.38 Crore (SWR), ₹12.56 Crore (WCR) and ₹7.79 Crore (WR).

<sup>160</sup> ₹1.53 Crore (CR), ₹3.15 Crore (ECoR), ₹5.59 Crore (ECR), ₹0.72 Crore (ER), ₹0.71 Crore (Metro Railway), ₹1.58 Crore (NCR), ₹0.87 Crore (NER), ₹3.93 Crore (NR), ₹2.21 Crore (NWR), ₹3.04 Crore (SCR), ₹2.39 Crore (SECR), ₹0.25 Crore (SER), ₹0.51 Crore (SR), ₹0.47 Crore (SWR), ₹15.57 Crore (WCR) and ₹5.55 Crore (WR).

<sup>161</sup> ₹2.25 Crore (CR), ₹3.37 Crore (ECoR), ₹11.45 Crore (ECR), ₹4.08 Crore (ER), ₹2.89 Crore (Metro Railway), ₹4.59 Crore (NCR), ₹1.63 Crore (NER), ₹0.34 Crore (NFR), ₹5.81 Crore (NR), ₹4.40 Crore (NWR), ₹3.44 Crore (SCR), ₹3.55 Crore (SECR), ₹1.30 Crore (SER), ₹3.87 Crore (SR), ₹1.06 Crore (SWR), ₹16.50 Crore (WCR) and ₹6.67 Crore (WR).



- In other works the expenditure under D&G charges was within overall ceiling as provided in the estimate.

### (b) Completed projects

- Booking of D&G charges (Establishment) in excess of provision made in the estimates amounting to ₹228.16 crore was noticed in 25 works out of the 54 construction works seen in audit.
- Booking of D&G charges (Other than Establishment) in excess of provision made in the estimates amounting to ₹71.96 crore was noticed in 20 works out of total 54 construction works.
- In three works in which separate breakup of establishment and other than establishment charges under the head D&G was not available, an amount of ₹4.72 crore was booked in excess of total provision of D&G charges made in the estimates.
- In other works the expenditure under D&G charges was within overall ceiling as provided in the estimate.

Audit noticed that the D&G charges are being booked to the works in inefficient way without considering the budget grant for the works and overall booking of D&G charges as provided in the sanctioned estimates.

### (c) Inappropriate booking of D&G Charges

Railways estimate the utilizable D&G charges based on total assessed outlay at the start of the year and operate posts keeping in view the total D&G charges determined to be used based on that outlay. The actual expenditure at the end of the year is different from the assessed outlay at the start of the year. The available D&G charges on the basis of actual expenditure were determined in audit. The formula used was same but actual expenditure in place of outlay of each department was taken. The details of excess amount booked in respect of different Zonal Railways are as under:-

**Table 3.12**

(Figures in thousands of ₹)

Name of Railway	Excess/ less amount booked during 2011-12 to 2013-14		
	2011-12	2012-13	2013-14
CR	-27730	78354	123450
ER	Not Available	Not Available	Not Available
ECR	-98134	214069	345315
ECoR	200911	173196	100887
Metro Railway	Not Available	Not Available	Not Available
NCR	-23821	5492	19443
NER	452808	91882	113140
NFR	-1945757	-71336	-1129195
NR	1086205	1231569	1774078
NWR	95996	-24760	96228
SCR	40500	205900	-30400
SECR	Not Available	Not Available	Not Available

SER	-40113	-107026	-334868
SR	Not Available	-811207	-227384
SWR	-139430	-200544	-418459
WCR	5290	85375	48031
WR	350752	357511	203320
Total excess	2232462	2443348	2823892
Total saving	2274984	1214873	2140306

- During the year 2011-12, there was an assessed excess utilization of D&G charges to the tune of ₹223.25 crore in respect of seven Zonal Railways and savings to the tune of ₹227.50 crore in respect of six Zonal Railways.
- The information regarding utilization of D&G charges was not available in respect of four Zonal Railways<sup>162</sup> for the year 2011-12 as the required information has not been provided by the concerned Zonal Railway administration.
- During the year 2012-13, there was an assessed excess utilization of D&G charges to the tune of ₹244.33 crore in respect of nine Zonal Railways and savings to the tune of ₹121.49 crore in respect of five Zonal Railways.
- The information regarding utilization of D&G charges was not available in respect of three<sup>163</sup> Zonal Railways for the year 2012-13 as the required information has not been provided by the concerned Zonal Railway administration.
- During the year 2013-14, there was an assessed excess utilization of D&G charges to the tune of ₹282.39 crore in respect of nine Zonal Railways and savings to the tune of ₹214.03 crore in respect of five Zonal Railways.
- The information regarding utilization of D&G charges was not available in respect of three<sup>164</sup> Zonal Railways for the year 2013-14 as the required information has not been provided by the concerned Zonal Railway administration.
- During the period 2011-12 to 2013-14, there was an assessed excess utilisation of ₹186.95 crore comprising an excess of ₹749.97<sup>165</sup> crore and saving of ₹563.02<sup>166</sup> crore for the Zonal Railways for which information was available.

### 3.7.2.7 Infructuous expenditure on the posts operated for defunct activities

Consequent to computerization in offices and introduction of new machines for drawing, copying, printing etc. the activities of roneo operation and ferro printing were no longer in practice. Hence 'Roneo operator' and 'Ferro printer' posts had

<sup>162</sup> ER, Metro Railway, SECR and SR.

<sup>163</sup> ER, Metro Railway and SECR.

<sup>164</sup> ER, Metro Railway and SECR.

<sup>165</sup> ₹223.25 crore, ₹244.33 crore and ₹282.39 crore during the years 2011-12, 2012-13 and 2013-14 respectively.

<sup>166</sup> ₹227.50 crore, ₹121.49 crore and ₹214.03 crore during the years 2011-12, 2012-13 and 2013-14 respectively.

become redundant. However, it was observed that these posts were continued to be operated in Southern Railway as detailed below:

**Table 3.13 Operation of redundant posts**

Post	Department	Year	No.
Roneo operator	Civil / Electrical	2011-12	4
		2012-13	4
		2013-14	4
Ferro printer/Khalasi	Civil / S&T	2011-12	9
		2012-13	9
		2013-14	9

Source: Scale check statement, Work Study report of planning branch

The cost of above defunct posts comes to ₹1.35 crore (excluding leave salary and pension contribution). SR should initiate action to surrender the above posts related to defunct activities.

### 3.7.3 Other issues

#### 3.7.3.1 Improper maintenance of Work Registers

The Work Registers<sup>167</sup> serve as an important management tool in providing information which enables comparison of the expenditure incurred against a work with the provision made in the estimate. This register should be maintained in the form E-1473 and the amount shown in the estimate, the budget allotment and details of expenditure on each work by heads of accounts should be shown in this register. The register may be arranged by detailed heads of classification, separate folios being set apart for each work. At the end of each month, the work register should be closed and totaled up as monthly, yearly and up-to-date for each work. During review, it was noticed that-

- In NWR, the Work Registers were maintained manually during the years 2011-12 and 2012-13. It was found that these registers were not being maintained properly as the plan head wise details of estimated cost, budget allotment etc. were not recorded in the work registers. The posting in the registers was not made properly and frequent corrections were made. In the work register of Dausa-Gangapur City New line for the year 2011-12, only the total expenditure without showing plan head wise details was exhibited. From April 2013 these are maintained in computerized manner and any subsequent changes which are required in the allocation of expenditure is being done through transfer certificates.
- Besides this, frequent corrections in the work registers were also noticed in construction unit Jabalpur of WCR.
- In NR, ER, NCR, Metro Rly, SER, SR, SECR, SCR, NFR and WR works registers are maintained on computers but head wise classification of D&G charges has not been made.

<sup>167</sup> Defined under Para 1472-E.

- In ECoR, though the works registers were computerized in 2008, there was no specific feature in the system (PRIME Module) to control the D&G charges in various estimates.
- In SWR, work registers are maintained on computer and head wise classification of D&G charges are made.
- In ECR, NER, ECoR and ER, the records regarding booking of expenditure under D&G in respect of 56 works was not made available as shown in Schedule 5.1. Thus, the data could not be analyzed in Audit.

### 3.8 Conclusion

As a result of non-adherence to the prescribed provisions of D&G charges, cost of staff was incorrectly assessed for creation/ operation of work charged posts leading to reduced fund availability for the work execution. Booking of cost of posts which are not directly connected to the works of construction organization and operation of posts having higher grade also led to reduced fund availability for the work/ excess over sanctioned estimates. Absence of the system of periodical measurement of the posts to be operated linked to the exercise of expenditure has led to operation of excess posts. The review also revealed that:

- The measurement of the costs of the posts was significantly lesser than that prescribed. Large variations in the elements of cost included by various Zonal Railway formations in their assessment of the cost of work charged posts were noticed.
- The work charged posts of gazetted officers in Senior Scale were created/operated in excess of the norms fixed by Railway Board.
- Norms for operation of work charged posts in departments viz., Traffic, Personnel, Medical, Vigilance, General Administration and operating remain to be framed by Railway Board even after six years of the identification of the need for such norms.
- Unjustified operation of the posts for Security Department (RPF) in Construction Organisation were noticed.
- Work charged posts created against D&G charge of works executed by construction organisation were operated in open line without worth of charge.
- Expenditure relating to other heads of accounts was incorrectly booked under accounting classification related to D&G charges resulting in overstatement of expenditure under D&G charges.
- Expenditure relating to D&G charges was incorrectly booked to other accounting classifications resulting in understatement of expenditure under D&G charges.
- Deficient internal control mechanism in the system of acceptance of debits by construction organization through transfer certificates from open line led to overstatement of expenditure under D&G charges.

- The expenditure under D&G charges (Establishment) heads were booked to various works without a transparent mechanism to link the work of the post to the concerned work leading to mis-utilisation of the mechanism of providing D&G charges in the work estimates.
- The expenditure relating to revenue heads was booked incorrectly to capital works.
- The Work Registers were not maintained properly in the prescribed format showing all required details.

#### Recommendations

- *The cost of the posts should be assessed as per provision contained in the Finance Code and actual cost of the posts should be allocated to the works.*
- *To restrict the D&G charges within the sanctioned estimate the ratio prescribed by Railway Board for operation of work charged posts should strictly be followed.*
- *Yardsticks for all the posts required to be operated as work charged should be fixed by Railway Board and operated accordingly..*
- *The work charged posts having no direct relation to the construction work should not be operated in open line against construction estimates.*
- *The booking of expenditure on D&G charges under incorrect heads of Accounts of same work or other works and allocation of other expenditure under D&G charges should scrupulously be avoided.*
- *Utilisation of D&G charges needs to be commensurate with progress of the work and operation of posts should be reviewed within a financial year linking it to revision of Budget outlays, so as to utilise work charged posts more efficiently where actually required.*
- *To determine the actual expenditure on D&G charges the Work Registers should be maintained in the prescribed Form E-1473 and posted efficiently with all the required details.*

The matter was brought to the notice of Railway Board in February 2015; their reply has not been received (May 2015).



**Appendix I (Para 3.7.1)****Gist of Railway Board's Instructions regarding provision and utilization of D&G Charges**

The yardsticks for creation of Gazetted posts viz. Senior Administrative Grade (SAG), Junior Administrative Grade (JAG), Senior Scale (SS) and Junior Scale/Group "B" for the year 2012-13 prescribed by Railway Board stipulate that in other than Accounts i.e. Civil, Electrical and S&T Departments the total number of posts in Junior Scale/ Class II and Senior Scale should be determined by taking these posts together and not separately. It was also stipulated that the number of posts in Senior Scale should normally be kept at about one half of the Junior Scale posts which can be relaxed up to maximum limit of 1:1 depending upon the discretion of the General Managers. In case of Stores Department, the ratio of Senior Scale to Junior Scale posts would be 1:2. In case of "turn-key projects, 25 per cent of the outlay should be taken for determining the admissible work charged posts except Jammu & Kashmir where it can be increased to 50 per cent in view of special circumstances. Further a cut of ten per cent was to be applied on the posts calculated as per above formula as a measure of economy. One post of HAG out of three or more admissible posts of SAG could be operated.

In November, 2011 the Railway Board instructed that not more than 50 per cent of the establishment component of D&G charges, should be utilised for Gazetted cadre. The overall expenditure on work charged establishment should be within the prescribed D&G charges.

The guidelines for distribution of D&G charges to various department for operation of work charged posts as advised by Railway Board in February, 2011 were as under:-

- The provision for Stores Department should be used by Stores Department only and should not be reallocated to any other department.
- For Metropolitan Projects (MTP) and New Lines, the provision of 0.318 per cent should be made for General Charges for Traffic Department for the portion related to junction arrangements only i.e. 0.318 per cent of junction arrangements only to be provided and not 0.318 per cent of the total cost of New Line or MTP project.
- No provision should be made for the Traffic Department under plan heads "Staff Quarters, Staff Amenities, Workshops and Sheds and Machinery & Plants".
- D&G provision of 0.326 per cent should be made for Mechanical Department in Civil Engineering estimates under Plan Head-42. This provision should be made out of the overall limit of D&G charges i.e. 7.83 per cent for Civil Engineering works as per details given in Schedule '2.1'.
- While creating work charged posts in Vigilance Department within the stipulated provisions, it should be ensured that the creation of posts should be need based and on worth of charge.

The prescribed D&G charges are the maximum limits, and endeavor should be made to restrict the actual provision to the D&G charges barest minimum.

Year wise yardsticks<sup>168</sup> for creation, extension of posts of Gazetted staff in construction projects for the year 2011-12 to 2013-14 was as under-

(Figures in Crore of ₹)

Departments	Year	HAG	SAG	JAG	SS	JS/Gr. 'B'
Civil	2011-12	375	79.4	24.1	6.6	5.0
	2012-13	395	83.58	25.37	6.95	5.26
	2013-14	416	88.10	35.24	13.22	8.80
Electrical	2011-12	No	42.70	13.59	4.13	2.39
	2012-13	yardstick	44.43	14.14	4.30	2.49
	2013-14	prescribed	46.20	18.48	6.93	4.62
S&T	2011-12	No	42.70	13.59	4.13	2.39
	2012-13	yardstick	43.18	13.74	4.18	2.42
	2013-14	prescribed	44.10	17.64	6.62	4.40
Accounts	2011-12	950	253.5	174.0	50.9	40.0
	2012-13	997	266.15	182.68	53.44	42.00
	2013-14	1046	279.35	191.74	56.09	44.08
Stores	2011-12	No	273.3	109.3	38.8	
	2012-13	yardstick	287.68	115.05	40.84	
	2013-14	prescribed	303.24	121.27	43.05	

<sup>168</sup>Yardsticks for the year 2011-12 was circulated by Railway Board vide letter no. 2011/E&R/3/1(Pt.) dated 27/07/2011, for the year 2012-13 vide letter no. 2012/E&R/3/1(1) dated 28/05/2012 and for the year 2013-14 vide letter no. 2013/E&R/3(1)/1 dated 29/08/2013

**Appendix II (Para 3.7.1)**  
**Percentage Ceiling of D&G Charges for Various Works Estimates**

Nature of Estimate	Establishment Charges	Other than Establishment Charges	Total
New Lines	7.83	1.30	9.13
Gauge Conversion/Doubling	5.13	1.30	6.43
Other Civil Engg. Construction works	7.83	1.30	9.13
Track Renewal works(Primary & Secondary)			
Through Rail Renewal			1.35
Through Sleeper Renewal			2.25
Complete Track Renewal			1.8
Railway Electrification	8.37	1.35	9.72
Electrical Projects not requiring traffic/power blocks	8.73	1.45	10.18
Electrical Projects requiring traffic/power blocks	12.11	1.45	13.56
S&T Projects not requiring traffic/power blocks	9.54	1.15	10.69
S&T Projects requiring traffic/power blocks	13.68	1.15	14.83
Mechanical Projects (M&P)	4.59	0.40	4.99
Mechanical Projects (Other than (M&P)	7.02	1.70	8.72

### Break-Up of D&G Charges for Various Works Estimates

(Percentage to Estimated Cost)

Particulars	Civil			RE	Electrical		S & T	
	New Lines	GC/ Doubling	Other Civil Engineering Construction Works		With out block	With block	With- out block	With block
<b>1. Establishment</b>								
1.1 Deptt.								
(a) HQ. Org	0.798	0.527	0.805	1.502	1.799	2.506	1.877	2.722
(b) Field Org.	5.046	3.309	5.144	4.696	5.280	7.664	6.668	9.674
1.2 Audit & Accounts	0.910	0.580	0.913	0.858	0.852	0.846	0.314	0.311
1.3 Stores	0.361	0.240	0.370	0.631	0.532	0.529	0.419	0.415
1.4 Traffic	0.318	0.210	0.326	0.293		0.300		0.300
1.5 Personnel	0.081	0.043	0.109	0.079	0.107	0.106	0.105	0.103
1.6 Medical	0.081	0.043	0.109	0.079	0.107	0.106	0.105	0.103
1.7 Vigilance	0.154	0.135	0.054	0.153	0.053	0.053	0.052	0.052
1.8 RPF	0.081	0.043		0.079				
<b>(a) Total</b>	<b>7.830</b>	<b>5.130</b>	<b>7.830</b>	<b>8.370</b>	<b>8.730</b>	<b>12.110</b>	<b>9.540</b>	<b>13.680</b>
<b>2. Other than Establishment</b>								
2.1 Plant Const.	0.35	0.35	0.35	0.55	0.55	0.55	0.20	0.20
2.2. Temporary Accommodation.	0.30	0.30	0.30	0.20	0.20	0.20	0.20	0.20
2.3 Residential	0.40	0.40	0.40	0.35	0.45	0.45	0.45	0.45
2.4 Contingency	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.25
2.5 Instruments	0.04	0.04	0.04	0.03	0.03	0.03	0.05	0.05
2.6 Loss of Cash/Stores	0.01	0.01	0.01	0.02	0.02	0.02		
<b>(b) Total</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>	<b>1.35</b>	<b>1.45</b>	<b>1.45</b>	<b>1.15</b>	<b>1.15</b>
<b>3. Grand Total (a)+ (b)</b>	<b>9.13</b>	<b>6.43</b>	<b>9.13</b>	<b>9072</b>	<b>10.18</b>	<b>13.56</b>	<b>10.69</b>	<b>14.83</b>

**Yardsticks for the year 2012-13 for Creation & Extension of currency of Gazetted Posts**

Yardsticks for the year 2012-13						(Fig in Crore of ₹)
Post	Civil	Electrical including RE	S&T	Accounts	Stores	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	
SAG	83.58	44.43	43.18	266.15	287.68	
JAG	25.37	14.14	13.74	182.68	115.05	
SS	6.95	4.30	4.18	53.44	40.84	
JS/Gr. 'B'	5.26	2.49	2.42	42.00		