

मंडल लेखापरीक्षा का कार्यालय::द.म.रेलवे::विजयवाड़ा
DIVISIONAL AUDIT OFFICE::S.C.RAILWAY::VIJAYAWADA

No.AuI/BZA/Pt.I/AIR/05/2023-24

Date: 31.10.2023

The Sr.Divisional Finance Manager,
South Central Railway,
VIJAYAWADA.

Sub: Audit Inspection Report on Department Centric Activity Based
Audit of Commercial Department, Vijayawada done during the quarter
ending 30.09.2023

A copy of the Audit Inspection Report on the above subject containing
19 Paras is enclosed in duplicate for necessary action.

The Inspection Report has been prepared on the basis of information
furnished and records made available by the Commercial Department,
Vijayawada and its sub-offices. The office of the Principal Director of Audit,
South Central Railway disclaims any responsibility for any misinformation
and/or non-information on the part of audited entity.

Encl: As above.

वरिष्ठ मंडल लेखा परीक्षा अधिकारी/ विजयवाड़ा
Sr.Divisional Audit Officer/BZA

Copy forwarded to the Sr.Audit Officer/COR/SCR/SC for information.

वरिष्ठ मंडल लेखा परीक्षा अधिकारी/ विजयवाड़ा
Sr.Divisional Audit Officer/BZA

Part-I Audit Inspection Report on the audit of office of the Sr. Divisional Commercial

Manager, Vijayawada

PART-I- (Introduction)

The audit of office of the Sr. Divisional Commercial Manager, Vijayawada was conducted from 07/08/2023 to 29/09/2023 by the following members of field audit party of office of the PDA, South Central Railway, Secunderabad.

Name	Designation	Member from	Member till
NAVEEN KUMAR NANDETI	Assistant Audit Officer	08/08/2023	29/09/2023
GANESH KUMAR DASARI	Auditor	08/08/2023	29/09/2023
B.V.PADMA RAJU	Assistant Audit Officer	07/08/2023	18/08/2023
RAVI KRISHNA DEEVENAPALLI	Assistant Supervisor (Audit)	07/08/2023	18/08/2023

The audit was supervised by the following officers.

Name	Designation	Effective from	Effective to
P N SREENIVASA RAO	Senior Audit Officer	07/08/2023	29/09/2023

PART-II

(Audit Findings)

PART-II-(A)

(Significant Audit Findings)

Para-1:

Reference Number: OBS-1020743

Subject: Non-collection of Inspection & Maintenance charges from Siding Authorities

Scrutiny of siding agreements in O/o the Sr.DCM/BZA revealed that Inspection & Maintenance charges of Rs.1,17,52,177/- were due from the following siding authorities as on 30.09.2023 for the portion of siding with in the Railway land and maintained by Railways. The details are as under.

Sl.No.	Name of Siding	I&M charges due as on 30.09.2023
1	Sangam Dairy/TEL	265520
2	ILTD/Anaparthi	2608090
3	Bhavana Sai/Uppalur	424472
4	Akhilesha Agro/NWP	630277
5	BPCL/SDM	2546834
6	VTPS/KI	1327874
7	Tata Steel/GWM	3304800
8	My Home/REG	644310
	Total	11752177

Reasons for non-collection of Inspection & Maintenance charges may be furnished and action taken to recover Rs.1,17,52,177/- together with penal interest for belated payment may be advised to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-2:

Reference Number: OBS-1020541

Subject: Non-collection of Land License Fee from Siding Authorities

Scrutiny of siding in O/o the Sr.DCM/BZA revealed that land license fees of Rs.98,14,984/- were due from the following siding authorities as on 30.09.2023 for the portion of siding with in the Railway land and maintained by Railways. The details are as under.

Sl.No.	Name of Siding	LLF due as on 30.09.2023
1	Bhavana Sai/Uppalur	1159811
2	FCI/NZD	1294292
3	FCI/KCC	132668
4	FCI/GDV	2334512
5	IOCL/SDM	963183
6	BPCL/SDM	963183
7	VTPS/KI	2209799
8	Tata Steel/GWM	699948
9	Annapurna/Veeravasaram	57588
Total		9814984

Reasons for non-collection of License Fees may be furnished and action taken to recover Rs.98,14,984/- together with penal interest for belated payment may be advised to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-3:

Reference Number: OBS-1020799

Subject: Non-recovery of punitive charges and detention charges for load adjustment

Railway Board (RB) had issued instructions in para viii of letter No TC-I/2020/108/efile/1 dt 28.09.2020 that in case of load adjustment of overloaded wagons at other than originating station, the details of load adjustment shall be communicated to the originating station for billing of detention charges. RB had clarified (May 2022) on instructions issued vide Gazette notification GSR No 560(E) dt 16.09.2020 that "on detection of overloading at other than originating point, if customer carries out load adjustment at such point, punitive charges shall be levied for the distance travelled by the train hauling the wagon from the originating station to load adjustment point".

Scrutiny of Load Adjustment Register revealed that during the period from 2020-21 to 2022-23, 27 loaded rakes were detained en-route in Vijayawada division for load adjustment due to overloading. In each rake 3 to 13 wagons were loaded in excess than permissible carrying capacity. The overloading in 22 wagons was detected in Vijayawada Division and the rakes were detained for load adjustment. In the remaining 5 rakes load adjustment was necessitated due to defective packing condition. Wagons carrying steel products viz HR coils, steel bars, MS plates are to be secured with steel belts. Due to substandard steel belts, the consignment displaced during transit endangering safety of running train. In all these cases, the rakes were detained en-route until completion of load adjustment by siding staff of originating station. Load adjustment was carried out in power cars of two coaching trains Train No 12615 GT express on 23.09.23 and 20805 AP express (3 times in the month of April 2023).

RB's orders provide for recovery of punitive charges for overloading, detention charges and labour charges incurred by Railway for shifting of loads. Audit observed that Load Adjustment Register maintained in commercial department of BZA division is incomplete. The details of recovery of detention charges and labour charges were available in 6 out of 19 cases. Sr.DCM/BZA had advised originating stations/ divisions to recover detention charges without assessment of amount to be recovered in 7 cases. The details of billing/ recovery of punitive charges and detention charges were not available on record in 5 cases.

Non-recovery of detention charges as assessed in Audit works out to Rs 0.86 crore. Details of charges to be recovered by Vijayawada division in respect of load adjustment carried out in foreign Railways were not made available to Audit. The above deficiencies may be looked into remarks may be furnished to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-4:

Reference Number: OBS-1020750

Subject: Non-collection of Staff Cost from Siding Authorities

Scrutiny of siding agreements in O/o the Sr.DCM/BZA revealed that Staff Costs of Rs.80,30,061/- were due from the following siding authorities as on 30.09.2023 for the portion of siding with in the Railway land and maintained by Railways. The details are as under.

Sl.No.	Name of Siding	Staff Cost due as on 30.09.2023
1	Akhilesha Agro/NWP	3139967
2	Bhavana Sai/Uppalur	3139967
3	Tata Steel/GWM	1750127
Total		8030061

Reasons for non-collection of Staff Costs may be furnished and action taken to recover Rs.80,30,061/- together with penal for belated payment may be advised to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-5:

Reference Number: OBS-1020756

Subject: Non-collection of Conservancy Cess Charges from Sidings

In terms of Railway Board's letter No. F(X)I-95/1/1 dated 05.12.2016, Conservancy Cess charges were required to be recovered from Private Sidings @ Rs.425/- per month w.e.f. 01.07.2016 and in terms of Railway Board's letter No. F(X)I/95/1/1 dated 07.09.2021, Conservancy Cess charges were required to be recovered from Private Sidings @ Rs.465/- per month w.e.f. 01.07.2021.

Scrutiny of records in O/o Sr. DCM/BZA revealed that Conservancy Cess charges have not been collected from the Private Sidings over Vijayawada division as detailed below.

No. of Sidings	Conservancy Charges to be recovered from 01.07.2016 to 30.06.2021 (₹)	Conservancy Charges to be recovered from 01.07.2021 to 30.09.2023 (₹)	No. of Months from 01.07.2016 to 30.06.2021	No. of Months from 01.07.2021 to 30.09.2023	Conservancy Charges to be recovered per siding (₹)	Conservancy Charges to be recovered from all sidings (₹)
19	425	465	60	27	38,055	7,23,045

Reasons for non-collection of conservancy cess charges from sidings may be furnished to Audit duly taking necessary action to regularize the issue.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-6:

Reference Number: OBS-1020774

Subject: Decrease in earnings from provision of ATM's

As per items 3 of Railway Board Letter No.2018/Trans cell/Civil/ATM policy dt: 27.11.2018, DRMs are empowered to select a suitable public sector Bank/scheduled commercial Indian Bank in a transparent manner. Item (d) of letter ibid stipulates that ATM's shall be provided extensively, as required even by persuading banks if so necessitated.

Audit examined the efforts taken by the commercial department for providing ATM's for enhancing Non-Fare Revenue (NFR). The status of number of ATM's available in the year 2018-19 and in 2022-23 is shown in the following statement.

No of ATM'S	2018-19	2022-23
SBI	10	07
Other than SBI	01	NIL
License fee	34,15,734	28,93,891

The above table indicates that the overall number of ATMs in Vijayawada division had reduced by 4 in last 5 years. The license fee realised on ATMs was also reduced. Penalty charges of Rs.40,629/- are yet to be recovered for delayed payment of license fees. The details are furnished in Annexure.

Scrutiny of records revealed that:

Agreement was entered into with State Bank of India for provision of 12 ATM's for the period from 25.11.2015 to 24.11.2017. The Agreement was renewed for the period from 25.11.2017 to 24.11.2022 for 10 ATM's only. ATM's at Gudivada and Powerpet were not included the revised agreement.

Consent of commercial department was communicated to State Bank of India (November 2022) for renewal of agreement for 5 years from 25.11.2022 to 24.11.2027. In the consent letter, 3 ATM's at Nellore, Kavali and Tenali were not included. The reasons for inclusion of less number of ATMs are not available on record.

Agreement for operation of ATM at Tenali was renewed from 25.11.2017 to 24.11.2022. During the renovation of Tenali station, the place for ATM was relocated and a rough structure was constructed. State Bank of India authorities had vacated the ATM on 08.01.2019. Non provision of space for ATM has resulted in loss of revenue of Rs.3.17 lakh per annum towards licence fee.

The fall in number of ATMs and the earnings from license fee indicates that commercial department of Vijayawada division did not take concrete efforts to pursue with the bank authorities for setting up of new ATMs at different stations for enhancing the earnings for ATMs.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-7:

Reference Number: OBS-1020816

Subject: Implementation of "One Station One Product" Scheme

Scrutiny of records in commercial department of Vijayawada division revealed that Railway Board has identified 93 stations in BZA division for implementation of "One Station One Product" (OSOP) scheme at an estimated cost of 3.36 Crore. Analysis of data in IRPSM revealed that 10 works were proposed for supply of static stalls and mobile trolleys/back packs. Out of the total sanctioned cost of Rs.3.40 Crore, the expenditure incurred on these works as of September 2023 was 99.09 lakh.

Audit could not assess effective implementation of OSOP scheme as the details of OSOP stalls received so far/functional at stations and action proposed to implement the scheme at remaining stations were not made available.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-8:

Reference Number: OBS-1020105

(a). Subject: Non recovery of License Fee from M/s Synergy Advertising

Commercial Publicity Contract Package-C was awarded to M/s Synergy Advertising vide Letter no. B/C.Pub.5/NFR/OOH/Package-C/2019-20, Dt.17.01.2021 of Sr.DCM/BZA for a period of five years from 24.01.2022 to 23.01.2027. Scrutiny of contract agreement files in O/o CCI/BVRM revealed that the License Fee was due for the period from 24.07.2023 to 23.01.2024 (4th half yearly license fee). The details are as under.

License Fee for the period from 24.07.2023 to 23.01.2024: Rs.4,50,000/-

GST on License Fee: Rs.81,000/- (18% on Rs.4,50,000/-)

Action may be taken to recover the License Fee of Rs.4,50,000/- and GST amount of Rs.81,000/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(b). Subject: Non recovery of License Fee from M/s Avisia Media Works Pvt Ltd/VSKP – Advertising rights for display of advertisements through CCTV contract

Advertising rights for display of advertisements through CCTV contract at 14 AI & A category stations of BZA Division under Package-I was awarded to M/s Avisia Media Works Pvt Ltd/Visakhapatnam for a period of 5 years vide Agreement Dated 21.04.2022. Scrutiny of contract agreement files in O/o CCI/BVRM revealed that the third half yearly period is commencing from 26.05.2023 and as per agreement executed, the license fee of the subsequent six months' period should be paid 15 days before (due date is on 11.05.2023) the commencement of next six months' period for which license fee is due. License Fee to be paid for the period from 26.05.2023 to 25.11.2023 is Rs.16,35,752/- and GST amount to be paid is Rs.2,94,436/- (18% on Rs.16,35,752/-).

Action may be taken to recover the License Fee of Rs.16,35,752/- and GST amount of Rs.2,94,436/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

Reference Number: OBS-1020380

(c). Subject: Non recovery of License Fee from M/s Avisia Media Works – Contract for dual display information systems at counters of PRS/UTS.

Contract for installation, operation and maintenance of LCD/LED/Plasma screens used for dual display information systems at counters of PRS/UTS was awarded to M/s Avisia Media Works Pvt Ltd/Visakhapatnam for a period of 5 years vide Letter No. B/CPub.5/NFR/RDN/DDIS Dated 02.06.2022 of Sr.DCM/BZA. Scrutiny of contract agreement files in O/o CCI/BZA revealed that the third half yearly period is commencing from 08.07.2023 and as per agreement executed, the license fee of the subsequent six months' period should be paid 15 days before (due date is on 23.06.2023) the commencement of next six months' period for which license fee is due. License Fee to be paid for the period from 08.07.2023 to 07.01.2024 is Rs.5,18,688/- and GST amount to be paid is Rs.93,364/- (18% on Rs.5,18,688/-).

Action may be taken to recover the License Fee of Rs.5,18,688/- and GST amount of Rs.93,364/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(d). Subject: Non recovery of License Fee from M/s Swamy Ads, Rajahmundry

Commercial Publicity Contract Package-B was awarded to M/s Swamy Ads vide Letter no. B/C.Pub.5/NFR/OHA/Package-B/BZA11.09.2019 of Sr.DCM/BZA for a period of five years from 06.09.2019 to 05.09.2024. Scrutiny of contract agreement files in O/o CCI/BZA revealed that the License Fee was due for the period from 06.09.2023 to 05.03.2024 (9th half yearly license fee). The details are as under.

License Fee for the period from 06.09.2023 to 05.03.2024: Rs.47,12,345/-

GST on License Fee: Rs.8,48,222/- (18% on Rs. 47,12,345/-)

Action may be taken to recover the License Fee of Rs.47,12,345/- and GST amount of Rs.8,48,222/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-9:

(a). Reference Number: OBS-1020130

Subject: Non-recovery of penal charges for late payment of license fee for the commercial publicity contract

Commercial Publicity Contract Package-C was awarded to M/s Synergy Advertising vide Letter no. B/C.Pub.5/NFR/OOH/Package-C/2019-20, Dt.17.01.2021 of Sr.DCM/BZA for a period of five years from 24.01.2022 to 23.01.2027. As per agreement executed, the license fee of the subsequent six months' period should be paid 15 days before the commencement of next six months' period for which license fee is due. Any delay in payment of license fee beyond 15 days shall attract interest @ 18% per annum calculated for the number of days delay.

Scrutiny of contract agreement files in O/o CCI/BVRM revealed that License Fee for the period 24.01.2023 to 08.05.2023 was realized with delay of 104 days. This has resulted in delay in payment of LF necessitating levy of penalty @ 18% per annum. The details of penalty charges recovered from the contractor were not available on record. The amount of non-recovery of penalty as assessed in Audit works out to Rs.23,080/- (Rs.4,50,000 x 18% ÷ 365 days x 104 days).

Action may be taken to recover the penalty amount of Rs.23,080/- for belated payment of License Fee from the contractor under intimation to Audit.

(b). Reference Number: OBS-1020271

Subject: Non-recovery of penal charges for late payment of license fee for Contract for dual display information systems at counters of PRS/UTS

Contract for installation, operation and maintenance of LCD/LED/Plasma screens used for dual display information systems at counters of PRS/UTS was awarded to M/s Avisia Media Works Pvt Ltd/Visakhapatnam for a period of 5 years vide Letter No. B/CPub.5/NFR/RDN/DDIS Dated 02.06.2022 of Sr.DCM/BZA. During the check of Agreement at O/o CCI/SLO, it was noticed that the second half yearly period is commencing from 08.01.2023 and as per agreement executed, the license fee of the subsequent six months' period should be paid 15 days before (due date is on 24.12.2022) the commencement of next six months' period for which license fee is due. Any delay in payment of license fee beyond 15 days shall attract interest @ 18% per annum calculated for the number of days delay.

Scrutiny of contract agreement files in O/o CCI/SLO revealed that License Fee for the period 08.01.2023 to 07.01.2024 was realized on 16.02.2023 with delay of 54 days. This has resulted in delay in payment of LF necessitating levy of penalty @ 18% per annum. The details of penalty charges recovered from the contractor were not available on record. The amount of non-recovery of penalty as assessed in Audit works out to Rs.13,813/- (Rs.5,18,688 x 18% ÷ 365 days x 54 days).

Action may be taken to recover the penalty amount of Rs.13,813/- for belated payment of License Fee from the contractor under intimation to Audit.

(c). Reference Number: OBS-1020363

Subject: Non-recovery of penal charges for late payment of license fee for the commercial publicity contract

Commercial Publicity Contract Package-B was awarded to M/s Swamy Ads vide Letter no. B/C.Pub.5/NFR/OHA/Package-B/BZA11.09.2019 of Sr.DCM/BZA for a period of five years from 06.09.2019 to 05.09.2024. As per agreement executed, the license fee of the subsequent six months' period should be paid 15 days before the commencement of next six months' period for which license fee is due. Any delay in payment of license fee beyond 15 days shall attract interest @ 18% per annum calculated for the number of days delay.

Scrutiny of contract agreement files in O/o CCI/EE revealed that License Fee for the period 06.03.2023 to 05.09.2023 was realized with delay of 78 days. This has resulted in delay in payment of LF necessitating levy of penalty @ 18% per annum. The details of penalty charges recovered from the contractor were not available on record. The amount of non-recovery of penalty as assessed in Audit works out to Rs.1,64,786/- (Rs.42,83,950 x 18% ÷ 365 days x 78 days).

Action may be taken to recover the penalty amount of Rs.1,64,786/- for belated payment of License Fee from the contractor under intimation to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-10:

Reference Number: OBS-1020182

Subject: Non-collection of penal charges for late payment of License Fee for the contract of Multi-Functional Complex at RJY Railway station

An agreement was entered in the year 2012 by Railway Administration with M/s KEI-Rajamahendri Resorts Pvt. Ltd. for commercial exploitation of available space in Multi-Functional Complex at RJY Railway station. Duration of the license period is 12 years. As per 10(j) of the special conditions of the contract, the license fee should always be paid in advance at the beginning of every year starting from date of acceptance by the licensee. A penal charge of 2% per month or part thereof shall be levied for delayed payments of license fee beyond 15 days from the date it becomes due.

Scrutiny of contract agreement files in O/o CCI/RJY revealed that penal charges were not collected towards delay in payment of License Fee as detailed below.

Year	Due date for payment of License Fee	License Fee paid on	Due Date	Paid date	No. of days delayed	License Fee (₹)	Penal Interest @ 2% per month or part thereof (₹)
11th year	09.02.2023	08.02.2024	26.01.2023	06.07.2023	173	82,53,289	9,90,395

Action may be taken to collect the penal charges of Rs.9,90,395/- and GST thereon of Rs.1,78,368/- (Rs.9,90,935 x 18%) under intimation to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-11:

Reference Number: OBS-1020200

(a). Subject: Non recovery of License Fee from M/s Dhanoosh

Pay & Use Toilets contract was awarded to M/s Dhanoosh economically poor people seva samite at Rajahmundry Railway Station. Scrutiny of contract agreement files in O/o CCI/RJY revealed that License Fee was due for the period from 12.08.2023 to 11.11.2023 (2nd Quarter in 2nd year). The details are as under.

License Fee for the period from 12.08.2023 to 11.11.2023: Rs.1,41,667/-

TCS Charges: Rs.13,204/-

Action may be taken to recover the License Fee of Rs.1,41,667/- and TCS charges of Rs.13,204/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(b). Subject: Non recovery of License Fee from M/s R.J.Enterprises

Tea Stall license (SG2GMU022) was awarded to M/s R.J.Enterprises at Anaparathi Railway Station. Scrutiny of contract agreement files in O/o CCI/RJY revealed that License Fee of Rs.61,365/- was due for the period from 03.08.2023 to 02.08.2024.

Action may be taken to recover the License Fee of Rs.61,365/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-12:

(a). Reference Number: OBS-1020168

Subject: Non-recovery of penal charges for late payment of license fee for catering stalls

As per catering stall agreements executed, the license fee of the subsequent year/six months' period should be paid 15 days before the commencement of next year/six months' period for which license fee is due. Any delay in payment of license fee beyond 15 days shall attract interest @ 18% per annum calculated for the number of days delay.

Scrutiny of contract agreement files in O/o CCI/RJY revealed that catering stall contracts have awarded to the following contractors and the realization of license fee was delayed which will attract penalty @ 18% per annum and the details are as under.

Sl.No.	Name of the Stall	Name of the Contractor	License Period	Due Date	Paid Date	No. of days delayed	License Fee (₹)	Penal Interest @ 18% per annum (₹)
1	MPS/RJY	Geeta Bai	01.07.23 to 30.06.24	15.06.23	08.08.23	54	700466	18654
2	Tea Stall/RJY	Geeta Bai	26.04.23 to 25.04.24	11.04.23	05.06.23	55	797932	21642
3	MPS/NDD	M.Jesina	29.06.23 to 28.06.24	14.06.23	24.07.23	40	134226	2648
Total								42944

Action may be taken to recover the penalty amount of Rs.42,944/- for belated payment of License Fee from the contractors under intimation to Audit.

(b). Reference Number: OBS-1020291

Subject: Non-recovery of penal charges for late payment of license fee for Tea Stall/CCT

License for Tea Stall on PF 1 (SG1GMU094) was awarded to Sri Ch.Talupula Rao at CCT Railway station. As per agreement executed, the license fee of the subsequent six months' period should be paid 15 days before the commencement of next six months' period for which license fee is due. Any delay in payment of license fee beyond 15 days shall attract interest @ 18% per annum calculated for the number of days delay.

Scrutiny of contract agreement files in O/o CCI/SLO revealed that License Fee for the period 21.07.2023 to 20.07.2024 was realized on 12.08.2023 with delay of 37 days. This has resulted in delay in payment of LF necessitating levy of penalty @ 18% per annum. The details of penalty charges recovered from the contractor were not available on record. The amount of non-recovery of penalty as assessed in Audit works out to Rs.3,849/- (Rs.2,10,970 x 18% ÷ 365 days x 37 days).

Action may be taken to recover the penalty amount of Rs.3,849/- for belated payment of License Fee from the contractor under intimation to Audit.

(c). Subject: Non-recovery of penal charges for late payment of license fee for the Tea Stall/TDD

License for Tea Stall on PF 2&3 (SG1GMU066) was awarded to Sri P.Gopala Krishna at TDD Railway station. As per agreement executed, the license fee of the subsequent six months' period should be paid 15 days before the commencement of next six months' period for which license fee is due. Any delay in payment of license fee beyond 15 days shall attract interest @ 18% per annum calculated for the number of days delay.

Scrutiny of contract agreement files in O/o CCI/EE revealed that License Fee for the period 21.07.2023 to 20.07.2024 was realized on 04.08.2023 with delay of 29 days. This has resulted in delay in payment of LF necessitating levy of penalty @ 18% per annum. The details of penalty charges recovered from the contractor were not available on record. The

amount of non-recovery of penalty as assessed in Audit works out to Rs.3,567/- (Rs.2,48,510 x 18% ÷ 365 days x 29 days).

Action may be taken to recover the penalty amount of Rs.3,567/- for belated payment of License Fee from the contractor under intimation to Audit.

(d). Reference Number: OBS-1020350

Subject: Non-recovery of penal charges for late payment of license fee for catering stalls

As per catering stall agreements executed, the license fee of the subsequent year/six months' period should be paid 15 days before the commencement of next year/six months' period for which license fee is due. Any delay in payment of license fee beyond 15 days shall attract interest @ 18% per annum calculated for the number of days delay.

Scrutiny of contract agreement files in O/o CCI/NLR revealed that License Fee from the following catering stall contractors, mentioned in table were not realized within the due date. This has resulted in delay in payment of LF necessitating levy of surcharge @ 18% per annum. The details of penalty charges recovered from the contractor were not available on record and the details are as under.

Sl.No.	Name of the Stall	Name of the Contractor	License Period	Due Date	Paid Date	No. of days delayed	License Fee/SD (₹)	Penal Interest @ 18% per annum (₹)
1	Tea Stall	7E Eleven Caterers	01.04.23 to 31.03.24	16.03.23	28.04.23 (LF) 01.05.23 (SD)	43 46	383333 59900	9488 (8129+1359)
2	Juice Bar	7E Eleven Caterers	01.04.23 to 31.03.24	16.03.23	17.04.23 (LF&SD)	32	766500 67000	13154 (12096+1058)
3	Tea Stall	M Jesina	18.02.23 to 17.02.24	03.02.23	24.02.23	23	1045000	11853
4	Juice Bar	Sri Sai Balaji	01.04.23 to 31.03.24	16.03.23	18.05.23	63	126999	3946
5	Tea Stall	A Diet Express	18.04.23 to 17.04.24	03.04.23	25.05.23	52	1127999	28926
Total							67367	

Action may be taken to recover the penalty amount of Rs.67,367/- for belated payment of License Fee from the contractors under intimation to Audit.

(e). Reference Number: OBS-1020307

Subject: Non-recovery of penal charges for late payment of license fee for Juice bar/TUNI

License for Juice Bar (SG1GMU102) was awarded to M/s R.J.Enterprises at TUNI Railway station. As per agreement executed, the license fee of the subsequent six months' period should be paid 15 days before the commencement of next six months' period for which license fee is due. Any delay in payment of license fee beyond 15 days shall attract interest @ 18% per annum calculated for the number of days delay.

Scrutiny of contract agreement files in O/o CCI/TUNI revealed that License Fee for the period 27.03.2023 to 26.03.2024 was realized on 06.05.2023 with delay of 55 days. This has resulted in delay in payment of LF necessitating levy of penalty @ 18% per annum. The details of penalty charges recovered from the contractor were not available on record. The amount of non-recovery of penalty as assessed in Audit works out to Rs.12,398/- (Rs.4,57,065 x 18% ÷ 365 days x 55 days).

Action may be taken to recover the penalty amount of Rs.12,398/- for belated payment of License Fee from the contractor under intimation to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-13:

Reference Number: OBS-1020209

Subject: Non recovery of License Fee from M/s Gurram Ramakrishna for Fish pedicure kiosk at RJY awarded under NINFRIS Policy

To promote new ideas and concepts related to passenger convenience and enhancing Non Fare Revenue, a policy of New Innovative Non Fare Revenue Ideas Scheme (NINFRIS) has been formulated on Indian Railways by Railway Board vide letter no. 2018/NFR/25/New Innovative Ideas Scheme Dt.21.05.2018. Accordingly, the contract of establishment 'Fish pedicure kiosk' at RJY Railway station was awarded in favour of M/s Gurram Ramakrishna under NINFRIS policy at a license fee of Rs.1,35,000/- per annum.

Scrutiny of contract agreement files in O/o CCI/RJY revealed that License Fee was due for the half year period from 27.08.2023 to 26.02.2024. The details are as under.

License Fee for the period from 27.08.2023 to 26.02.2024: Rs.67,500/-

GST on License Fee: Rs.12,150/- (18% on Rs.67,500/-)

Action may be taken to recover the License Fee of Rs.67,500/- and GST amount of Rs.12,150/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-14:

Reference Number: OBS-1020157

Subject: Non-recovery of penal charges for late payment of license fee for Commercial Plot

Commercial Plot admeasuring of 6,000 Sq.Mtrs at Rajahmundry was awarded to M/s Andhra Paper Limited. As per agreement executed, the license fee payment of the subsequent years shall be made in advance on the first day of April, each year with a grace period of one month during the continuance of this agreement. Any delay in payment of license fee within stipulated period shall attract surcharge @ 1% per month or part thereof to be reckoned from the due date to the date of actual payment.

Scrutiny of contract agreement files in O/o CCI/RJY revealed that License Fee for the following period, mentioned in table were not realized within the due date. This has resulted in delay in payment of LF necessitating levy of surcharge @ 1% per month. The details of penalty charges recovered from the contractor were not available on record. The amount of non-recovery of penalty as assessed in Audit works out to Rs.9,437/- as detailed below.

Period		Date of Payment	No. of Months delayed	LF	Penalty % per annum	Penalty
01.10.2020	31.03.2021	15.10.2020	1	2597563	1	2165
01.04.2021	30.09.2021	06.04.2021	1	2779393	1	2316
01.04.2022	31.03.2023	06.04.2022	1	5947900	1	4957
Total						9437

Action may be taken to recover the penalty amount of Rs.9,437/- for belated payment of License Fee from the contractor under intimation to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-15:

Reference Number: OBS-1020343

Subject: Non-recovery of Cab Fee at Nellore Railway Station

As per Commercial Branch, Vijayawada letter no. B/C.300/CAB/POLICY Dated.18.02.2020, cab fee tariff charges to be collected for every six months period i.e. from 1st April/1st October towards Autos/Cars/Taxis/Tempo parking at various Railway stations are as under:

Sl.No	Type of Vehicle	A1 Category Stations (Rs.)	A Category Stations (Rs.)	B Category Stations (Rs.)	Other Stations (Rs.)
1	Auto	3000	2500	1500	1000
2	Car/Taxi/Tempo	5000	4500	3000	2000

Further, Cab fee should be collected in the first month of commencing period i.e. in the month of April and October.

Scrutiny of records of O/o CCI/NLR revealed that Auto Cab fee is due from the Auto drivers as detailed below:

Sl.No.	Vehicle	Period	Tariff (Rs.)	Tariff including GST @ 18% (Rs.)	No. of Autos due for payment of Cab Fee (Rs.)	Total Cab Fee due (Rs.)
1	Auto	01.04.2023 to 31.09.2023	2500	2950	7	20650
Total						20650

Action may be taken to collect the Auto Cab fee of Rs.20,650/- from the Auto drivers under intimation to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-16:

Reference Number: OBS-1020315

Subject: Non-recovery of penal charges for late payment of license fee for General two wheeler parking

Two wheeler parking (General) contract was awarded to M/s Kasimsetty Kannarao at TUNI Railway station for a period of three years. As per agreement executed, the license fee of the subsequent six months' period should be paid 15 days before the commencement of next six months' period for which license fee is due. Any delay in payment of license fee beyond 15 days shall attract interest @ 24% per annum calculated for the number of days delay.

Scrutiny of contract agreement files in O/o CCI/TUNI revealed that License Fee for the following period, mentioned in table were not realized within the due date. This has resulted in delay in payment of LF necessitating levy of penalty @ 24% per annum. The details of penalty charges recovered from the contractor were not available on record. The amount of non-recovery of penalty as assessed in Audit works out to Rs.37,186/- as detailed below.

Sl.No.	Period	License Fee (₹)	Due date	Paid date	No. of days delayed	Penal Interest @ 24% per annum (₹)
1	28.11.22 to 27.05.23	514122	13.11.22	12.12.22	30	10142
2	28.05.23 to 27.11.23	514122	13.05.23	01.08.23	80	27044
Total						37186

Action may be taken to recover the penalty amount of Rs.37,186/- for belated payment of License Fee from the contractor under intimation to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-17:

Reference Number: OBS-1021294

Subject: Non-achievement of Targets of ticket checking staff

As per commercial branch, Vijayawada letter no. B/C.571/TC/TARGETS/Vol.IV/23-24 Dt.04.07.2023, earnings targets for the year 2023-24 for ticket checking staff at various stations are as under.

Sl.No.	Unit	Month wise Earnings Amount (₹)
Squad:		
1	In-charge CTIs/BZA Head Quarters, OGL & NLR	3,00,000
2	Staff of BZA Head Quarters, OGL & NLR	3,50,000
3	In-charge CTIs/GDV, BVRM, RJY, TUNI	2,50,000
4	Staff of GDV, BVRM, RJY, TUNI	3,00,000
Stations:		
1	BZA, RJY	1,50,000
2	GDR, NLR, OGL, TEL, EE, TDD, SLO, CCT, TUNI, AKP, BVRT	60,000
3	KVZ, CLX, BPP, NDD, ANV, NS, BVRM, GDV, MTM	50,000

Scrutiny of earnings files in O/o CTI Squad/OGL revealed that targets were not achieved in respect of earnings by the following staff. The details are as under.

Sl.No.	Month	Name of the Employee	Target per month (₹)	Achievement (₹)
1	April-2023	T.Haresh, CCTC	350000	334270
		G.Syam Kumar, TTI	350000	309190
		N.Venkateswarlu, CTI	300000	234500
		Ch. Vasu Deva Yadav, CTI	300000	74485
		N.Srinivasarao, TTI	350000	319905
2	May-2023	K SRIDHAR, TTI	350000	318035
		SD MOKTHYAR, TTI	350000	315070
		L ARUN KUMAR, TTI	350000	310690
		B SRINIVASULU, TTI	350000	302860
		T HARESH, CCTC	350000	301500
		BV N TEJA, TTI	350000	292335
		G SYAM KUMAR, TTI	350000	276215
		N SRINIVAS RAO, TTI	350000	229905
		N VENKATESWARLU, CTI	300000	146860

Reasons for shortfall in achieving targets and action taken for achievement of the targets may be intimated to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-18:

Reference Number: OBS-1020438

(a). Subject: Non-recovery of profession Tax amounting Rs.12,400/-

As per GOMs.No.82. Dated 04.02.2013 of Government of Andhra Pradesh, profession Tax is to be recovered at prescribed rates, from serving Railway Employees.

Scrutiny of salary bills of O/o CTIG/BZA revealed that the Professional Tax was not being recovered @ Rs.200/- per month. This has resulted in non recovery of professional tax amounting to Rs.12,400/- and the details are as under:

Sl.No.	Name & Design	Emp No.	Bill Unit No.	Period of recovery	No of months	PT per month	Total Short recovery
1	A.Bhuvana Prasad, ITI	531050207 76	0907384	01.08.2018 to 30.09.2023	62	Rs.200/-	Rs.12400/-

Reasons for non recovery of professional tax may be furnished to Audit duly taking necessary action to regularize the issue.

(b). Sub: Short recovery of CGEGIS subscription

In terms of Office Memorandum No.11012/10/2016–Estt-A-III dt.8/12/17 read with rates of CGEGIS subscription for different classification of Posts as Group-A, Group-B & Group-C are Rs.120, Rs.60 and Rs.30 respectively. Further the CGEGIS subscription in respect of change in Group necessitated due to promotion etc. is to be commenced from the January of the subsequent year. Scrutiny of salary bills of O/o CTIG/BZA revealed that the subscription was recovered at old rates resulting in short recovery of Rs.2,430/- for the period from January 2016 to September 2023.

Sl.No.	Emp. Name & Design	Emp No	CGEGIS Recovered	to be recovered	From to	No of months	Total (Rs.)
1	S.Rami Naidu, CCTC	244IG110560	Rs. 15/-	Rs.30/-	Jan-2018 to Sep-2023	69 Months	1035
2	G.Nageswara Rao, ITI	244IG110560	Rs. 15/-	Rs.30/-	Jan-2016 to Sep-2023	93 Months	1,395
Total							2,430

Action may be taken to recover/regularize the short recovery of from the Employees under Advices to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

Para-19:

Reference Number: OBS-1020422

(a). Subject: Non recovery of NPS contribution amounting to Rs.61,630/-

The Railway employees who entered into service on or after 01.01.2004 are governed by NPS with a unique permanent account number and shall contribution to the NPS @10% of basic pay and DA commencing from the following month in which the employee join the service and matching contribution will be made by the Government.

Scrutiny of salary bills of O/o CCI/OGL (Pay Bill Unit No 0907371) revealed that the contribution towards NPS is not being recovered from Smt M.Shalani, Commercial Clerk working at Ongole even after lapse of more than a year from the date of jointing of Railway service. The details are as under:

Sl. No.	Emp. Name, Designation & Emp No.	Pay (Rs.)	DA as on	NPS to be recovered at 10% (Rs.)	From to	No of months	Total
1	M.Shalani, Commercial Clerk, 24129802585	21700	31%	2,783	Nov-2021 to December-2021	02 Months	5,566
		21700	34%	2,908	Jan-2022 to June-2022	06 Months	17,448
		22400	38%	3,091	July-2022 to Dec-2022	06 Months	18,546
		22400	42%	3,181	Jan-2023 to June-2023	06 Months	19,086
		23100	42%	3,280	July-2023 to Sep-2023	03 Months	9,840
Total							61,630

Reasons for non commencement of recovery of subscription towards NPS may be furnished to Audit duly taking necessary action to recover/regularize the issue under intimation to Audit.

(b). Reference Number: OBS-1020410

Subject: Non recovery of NPS contribution amounting to Rs.61,630/-

The Railway employees who entered into service on or after 01.01.2004 are governed by NPS with a unique permanent account number and shall contribution to the NPS @10% of basic pay and DA commencing from the following month in which the employee join the service and matching contribution will be made by the Government.

Scrutiny of salary bills of O/o CCI/TUNI (Pay Bill Unit No 0907364) revealed that the contribution towards NPS is not being recovered from Smt V.Durga Syamala, Commercial Clerk working at TUNI even after lapse of more than a year from the date of jointing of Railway service. The details are as under:

Sl. No.	Emp. Name, Designation & Emp No.	Pay (Rs.)	DA as on	NPS to be recovered at 10% (Rs.)	Period	No of months	Total
1	V.Durga Syamala, Commercial Clerk & 24129802582	21700	31%	2,783	Nov-2021 to December-2021	02 Months	5,566
		21700	34%	2,908	Jan-2022 to June-2022	06 Months	17,448
		22400	38%	3,091	July-2022 to Dec-2022	06 Months	18,546
		22400	42%	3,181	Jan-2023 to June-2023	06 Months	19,086
		23100	42%	3,280	July-2023 to Sep-2023	03 Months	9,840
Total							61,630

Reasons for non commencement of recovery of subscription towards NPS may be furnished to Audit duly taking necessary action to recover/regularize the issue under intimation to Audit.

Remarks of Sr.DCM/BZA: Remarks were not furnished.

PART-III

(Follow up on findings outstanding of previous Inspection Reports)

Sl.No.	Report No. & Date	Outstanding Paras
1	AuI/BZA/Pt.I/AIR/2020-21/08, Dt.16.12.2020	06
2	AuI/BZA/Pt.I/AIR/2021-22/06, Dt.26.11.2021	10
3	AuI/BZA/Pt.I/AIR/2022-23/06, Dt.30.01.2023	10

PART-IV (Best Practice)

No best practices noticed during the inspection

PART-V (Acknowledgement)

We appreciate the co-operation given by the auditee entity in conducting the Audit Inspection.

वरिष्ठ मंडल लेखा परीक्षा अधिकारी/ विजयवाड़ा
Sr.Divisional Audit Officer/BZA