

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

No.AuI/BZA/Pt.I/AIR/06/2022-23

Date: 03.01.2023

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

Sub: Part-I Audit Inspection Report on Department Centric Activity Based
Audit of Commercial Department done during the quarter ending 31.12.2022

A copy of the Part-I Audit Inspection Report on the above subject containing 10
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 O/o Sr.DCM/BZA 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

**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 17/10/2022 to 30/11/2022 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	16/07/2021	25/11/2022
RAVI KRISHNA DEEVENAPALLI	Senior Auditor	16/07/2021	25/11/2022
GURU PRASAD NANDA MATTA	Supervisor (Audit)	16/07/2021	12/12/2022
GANESH KUMAR DASARI	Auditor	05/10/2021	12/12/2022

The audit was supervised by the following officers.

Name	Designation	Effective from	Effective to
S NARASIMHA REDDY	Senior Audit Officer	20210716	

PART-II

(Audit Findings)

PART-II-(A)

(Significant Audit Findings)

Para-1:

Reference Number: OBS-522252

Subject: Non realisation of Rs.15,69,067/- from M/s Galaxy Vijayawada Developers Pvt Ltd - The developer of Multi-Functional Complex

The contract of display of advertisements at Zone-I of Vijayawada Railway station was awarded to M/s.Prakash Arts Pvt Ltd at a license fee of Rs.2,38,09,890/- for an advertising area of 22990 Sq.ft for a period of five years from 13-03-2014 to 12-03-2019.

During operation of the contract, a piece of land measuring 5,500 Sq.ft of the contract located adjacent to Railway Hospital was taken over by Railway Administration on account of construction of MFC. This area was not available for the licensee from 13-12-2017 till the end of the contract i.e. 455 days and pro-rata quantified value of the area foregone is Rs.15,69,067/-. In this regard, M/s. Galaxy Vijayawada Developers Pvt Ltd the developer of MFC vide their letter no. Bharat/RLDA/Vijayawada/759/of 2017 Dt. 26-06-2017 have assured that "the Company is ready to bear charges, if any for the same. Company

undertakes that it will hand over said surrounding land in same conditions as it is today at the end of 1 year period or earlier as may be required. We are ready to bear the cost/charges pertaining to the same”.

In view of the above, necessary action may be taken to recover an amount of Rs.15,69,067/- from M/s. Galaxy Vijayawada Developers Pvt Ltd as they failed to hand over the Railway Land within due time under intimation to Audit.

Para-2:

(a). Reference Number: OBS-522244

Subject: Non recovery of License Fee from M/s Avisia Media Works Pvt Ltd/VSKP

Advertising rights for display of advertisements through CCTV contract at 14 AI & A category stations of BZA Division under Package-I has awarded to M/s Avisia Media Works Pvt Ltd/Visakhapatnam for a period of 5 years vide Agreement Dated 21.04.2022. During the check of Agreement at O/o Sr.DCM/BZA, it was noticed that the second half yearly period is commencing from 26-11-2022 and as per agreement executed, the license fee of the subsequent six months period should be paid 15 days before (due date is on 11-11-2022) the commencement of next six months period for which license fee is due. License Fee to be paid for the period from 26.11.2022 to 25.05.2023 is Rs.16,35,751/- and GST amount to be paid is Rs.2,94,436/- (18% on Rs.16,35,751/-).

In view of the above, necessary action may be taken to recover the License Fee of Rs.16,35,751/- 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.

(b). Reference Number: OBS-522296

Subject: Non recovery of License Fee from M/s Uni ads limited

The contract for display of advertisements through Vinyl Wrapping on exterior and laminated boards in the interior coaches of Train No.12718/17 Ratnachal Express has been awarded in favour of M/s Uni ads limited vide letter No. B/C Pub.5/TF/12718-17/2018 dt.17-10-2018 and the period of contract is 5 years i.e. from 20-12-2018 to 19-12-2023.

During the check of Agreement at O/o Sr.DCM/BZA, it was noticed that the License Fee was due towards 4th quarter of 4th year and 1st quarter of 5th year of contract. The details are as under:

License Fee for the period from 20-08-2022 to 19-11-2022: Rs.5,49,951/-

GST on License Fee: Rs.98,991.18/- (@18% on Rs.5,49,951/-)

License Fee for the period from 20-11-2022 to 19-02-2023: Rs.5,49,951/-

GST on License Fee: Rs.98,991.18/- (@18% on Rs.5,49,951/-)

In view of the above, necessary action may be taken to recover the License Fee from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(c). Reference Number: OBS-522182

Subject: Non-recovery of License Fee from M/s Prakash Arts Pvt Ltd

During the inspection of O/o CCI/BZA, it was noticed that M/s Prakash Arts Pvt Ltd was licensed to display of advertisements under Package-D for a period of five years from 20-09-2019 to 19-09-2024 for a total license fee of Rs.13,85,91,000/-. Requisite license fee to be remitted on half yearly basis. The licensee has remitted 1st half year license fee only and license was not paid from 20-03-2020 onwards. The details of license fee and GST to be collected from the contractor vide Sr.DCM/BZA's letter No.B/C Pub.5/NFR/CP/BZA Dt.07-07-2022 are as under:

Total license fee to be paid from 20-03-2020 to 19-09-2022: Rs.2,24,05,434/-
GST on license fee @ 18%: Rs.40,32,979/-

In view of the above, necessary action may be taken to collect the License Fee of Rs.2,24,05,434/- and GST amount of Rs.40,32,979/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(d). Reference Number: OBS-522189

Subject: Non-recovery of License Fee from M/s Signa OOH

During the inspection of O/o CCI/BZA, it was noticed that the contract for display of advertisements at earmarked areas at "inside the Station Buildings" through various advertising media under Package-H (Vijayawada Railway station) has been awarded in favour of M/s Signa OOH at a license fee of Rs.2,65,50,000/- for five years from 13-10-2019 to 12-10-2024, vide LOA No.B/C.Pub.5/NFR/RDN/Package-H/2019-20 Dt.13-09-2019. Requisite license fee to be remitted on half yearly basis. However, Licensee has remitted the License fee up to 12.10.2022 (i.e. 2nd half year of 3rd year). License fee of Rs.27,50,000/- (i.e. 1st half year of 4th year) for the period from 13.10.2022 to 12.04.2023 has not paid by the contractor.

In view of the above, necessary action may be taken to collect the License Fee of Rs.27,50,000/- and GST amount of Rs.4,95,000/- (@18% on LF) from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(e). Reference Number: OBS-522123

Subject: Non recovery of License Fee from Licensee Sri G.Vijayavardhan

An agreement dated 28.11.2016 was awarded to the Licensee Sri G.Vijayavardhan for erection of Catering Stall (Tea Stall) at Tenali Railway Station. During the check of Agreement at O/o CCI/TEL, it was noticed that the License Fee was due for the period from 29.05.2022 to 28.11.2022 and 29.11.2022 to 28.05.2023. The details are as under.

License Fee for the period from 29.05.2022 to 28.11.2022: Rs.1,36,820/-

License Fee for the period from 29.11.2022 to 28.05.2023: Rs.1,55,482/-

In view of the above, necessary action may be taken to recover the License Fee from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(f). Reference Number: OBS-522148

Subject: Non recovery of License Fee from Licensee Sri B.Ravi Kumar

Pay & Use toilets contract was awarded to Sri B.Ravi Kumar vide LOA No. B/C.611/Pay & Use Toilets//TEL/2022-25 Dated 20.04.2022 at Tenali Railway Station. During the check of Agreement at O/o CCI/TEL, it was noticed that the License Fee of Rs.1,55,398/- was due for the period 04.10.2022 to 03.01.2023.

In view of the above, necessary action may be taken to recover the License Fee from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(g). Reference Number: OBS-522215

Subject: Non-recovery of License Fee from licensee Smt G.Bharathi

During the inspection of O/o CCI/EE, it was noticed that the license for installation and operation of Multipurpose stall (SG1MPS023) on PF.2&3 at Eluru Railway station is awarded in favour of Smt. G.Bharathi for a period of 5 years.

However, licensee has paid the annual license fee up to 31.03.2022 only and License fee of Rs.1,79,999/- for the period from 01.04.2022 to 31.03.2023 is still due from the licensee.

In view of the above, necessary action may be taken to recover the License Fee of Rs.1,79,999/- and GST amount of Rs.32,400/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(h). Reference Number: OBS-522206

Subject: Non-recovery of License Fee from licensee M/s Sk.Rehana

During the inspection of O/o CCI/EE, it was noticed that the license for installation and operation of Tea stall (SG2GMU018) on PF.1 at Powerpet Railway station is awarded in favour of Smt.Sk.Rehana for a period of 5 years from 03/08/2019 to 02/08/2024. Subsequently, certain relaxations were granted in view of Covid-19 pandemic. Further, competent authority has accepted the request of contractor for pre-termination of catering stall. Accordingly, the details of license fee and other dues payable for the above unit are furnished below:

Sl.No.	Nature of Fee	From	To	Amount
1	Proportionate LF due to Covid-19	01-04-2021	31-03-2022	3266
2	Annual License Fee	01-04-2022	02-08-2022	13888
		03-08-2022	16-04-2023	31611
3	Total Due			48765
4	License fee available with Railways up to 23/03/2020			14763
5	Annual License fee to be paid up to 16-04-2023			34002

In view of the above, necessary action may be taken to recover the license fee of Rs.34,002/- from the contractor under intimation to Audit.

(i). Reference Number: OBS-508065

Subject: Non recovery of License Fee from M/s Lakshmi Ads

Commercial Publicity Contract Package-G has awarded to M/s Lakshmi Ads vide LOA no. B/C.Pub.5/NFR/RDN/Package-G/2019-20, Dt.11.09.2019. During the check of Agreement at O/o CCI/BVRM, it was noticed that the License Fee was due for the period from 13.10.2022 to 24.04.2023. The details are as under:

License Fee for the period from 13.10.2022 to 24.04.2023: Rs.4,66,301/-
GST on License Fee: Rs.83,835/- (18% on Rs.4,66,301/-)

In view of the above, necessary action may be taken to recover the License Fee of Rs.4,66,301/- and GST amount of Rs.83,835/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(j). Reference Number: OBS-508079

Subject: Non recovery of License Fee from M/s Synergy Advertising

Commercial Publicity Contract Package-C has awarded to M/s Synergy Advertising vide LOA no. B/C.Pub.5/NFR/OOH/Package-C/2019-20, Dt.13.03.2020. During the check of

Agreement at O/o CCI/BVRM, it was noticed that the License Fee was due for the period from 13.10.2022 to 24.01.2023. The details are as under.

License Fee for the period from 13.10.2022 to 24.01.2023: Rs.2,53,973/-
GST on License Fee: Rs.45,716/- (18% on Rs.2,53,973/-)

In view of the above, necessary action may be taken to recover the License Fee of Rs.2,53,973/- and GST amount of Rs.45,716/- from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(k). Reference Number: OBS-508098

Subject: Non recovery of License Fee from Licensee Sri Rohini Krishnayya

General Two Wheeler Parking Stand contract was awarded to the Licensee Sri Rohini Krishnayya vide Sr.DCM/BZA letter no. B/C.300/PS/General two wheeler/NS/2018, Dt.09.08.2018. During the check of Agreement at O/o CCI/BVRM, it was noticed that the License Fee was due for the period from 15.11.2022 to 14.01.2023. The details are as under.

License Fee for the period from 15.11.2022 to 14.01.2023: Rs.1,55,284/-
TCS (@2.33% on LF): Rs.3619/-
Cess (@Rs.465 per month): Rs.930/-
GST on License Fee: Rs.27,951.12/- (18% on Rs.1,55,284/-)

In view of the above, necessary action may be taken to recover the License Fee, TCS, Cess and GST amounts from the contractor along with penalty if any, for belated payment of License Fee under intimation to Audit.

(l). Reference Number: OBS-493216

**Subject: Non- collection of license fee from/ M/S Shi vijayadurga enterprises,
Kakinada**

The license to install and operation of Tea stall on platform no 2&3 of Nidadavolu (NDD) station was awarded to Sri Vijaya Durga Enterprises for a period of five (5) Years from 03/03-2019 to 02/03/2024 with annual license fee of Rs.2,59,611, for first three years and Rs.2,85,572/- for 4th and 5th years,subsequently the annual license fee was enhanced to RS.3,41,388/- w.e.f. 02.10.2019 on agency's request for granting of platform vending for nine vendors.

During the review of payments made by the agency at O/o CCI/RJY, it is noticed that a letter addressed to the agency duly directing to pay the dues towards license fee amounting

to Rs.3,64,444/- for the period from 03/03/2020 to 22/03/2020 and from the 01/04/2022 to 02/03/2023. However, no remittance particulars are available on record.

In view of the above Railway Administrative needs to take necessary action to collect the dues together with penal charges there on, if any towards delay in payment of license fee and final out come maybe intimated to Audit.

(m). Reference Number: OBS-495525

Subject: Non-collection of dues amounting to Rs.97,095/- from PF stall at Tuni Railway station (unit no.SG1GMU100)

The Tea stall on PF No-1 (unit no.SC1GMU100) was awarded to Smt Sk.Jareena ,Vskp for a period of 5 years vide letter of Acceptance dated 25.01.2019. The contractor has requested for pre-closure of the Tea stall on PF-1 at Tuni Railway station. The competent authority has accepted the contractors request and approved for pre-termination of the contract w.e.f. 01.05.2023 i.e. with six months advance notice period duly directing the contractor to pay the dues of R.97,095/- towards licences fee for the period from 09.03.2023 to 01.05.2023 (54 days). However, no further correspondence found on record regarding payment of dues by the contractor as advised by commercial department.

In view of the above, it may be ensured to collect the said amount before termination of contract.

(n). Reference Number: OBS-516866

Subject: Non-payment of License fee from Tea stall No SG1GMU085 at Samalkota Railway station

The License to install and operation of Tea stall No SG1GMU085 at plat from no 2&3 was awarded to Sri.P.Srinivasarao for the period from 07.07.2018 to 27.06.2022 with value of Rs.28,68,695/-. The licensee has paid an amount of Rs.18,48,552/- and there was balance dues of Rs.10,20,143/- from the licensee. Further the licensee has paid an amount of Rs.1,18,630- only as against Rs.1,49,577/- towards security deposit resulting in short remittance of SD amounting to Rs.30,947/-.

A letter was addressed to the licensee on 29.09.2022 duly stating to remit the above said dues immedeatley. However, there was no response from the licensee till date. In view of the above, necessary action may be taken to collect the balance license fee of Rs.10,20,143/- and SD of Rs.30,947/-.

(o). Reference Number: OBS-519218

Subject: Non-payment of Licence fee from the Catering stall stall No SG1GMU032 at Chirala Railway station

The Licence to install and operation of Platform catering stall at Railway station was awarded to M/S Sai Balagi Food & beverages (India) Pvt Ltd for a period of 5 years at a licence fee of Rs.3,69,999/- Per annum. The licensee commenced the catering stall services w.e.f 06.04.2015 onwards.

During the review of the contract of M/S Sai Balagi Food & beverages (India) Pvt Ltd, it is observed that the period of license was extended for six more months i.e. from 06.10.2022 to 05.04.2023. The Licence fee of Rs.2,10,134/- for the extended period of 06 (six) months is due from the M/S Sai Balagi Food & beverages (India) pvt Ltd/ Hyderabad.

Necessary action may be taken to collect the dues together with interest thereon for delay in remittance and final outcome may be intimated to Audit.

Para-3:

(a). Reference Number: OBS-522240

Subject: Non-recovery of penal charges for late payment of license fee for the advertising right contract of Zone I of Vijayawada railway station

During the inspection of O/o Sr.DCM/BZA.it was noticed that the contract of display of advertisements at Zone I of Vijayawada Railway station was awarded to M/s. Prakash Arts P Ltd, Vijayawada for a period of five years from 13-03-2014 to 12-03-2019. As per para 3.13(a) agreement of the contract, the 2nd, 3rd, 4th and 5th year LF should be paid one month in advance of commencement of the respective periods. In case of any delay in payment of license fee, the penal interest @2% per month will be levied for the period for which payment of license fee has been delayed”.

However, an amount of Rs.14,78,139/- is due towards license fee for 4th quarter of 5th year. An amount of Rs.4,57,211/- is due towards penal interest for late payment of license fees from 1st year to 5th year. An amount of Rs.15,69,067/-is to be refunded towards proportionate license fee for the area of 5500 sq.ft foregone for 455 days i.e from 13-12-2017 to 12-03-2018. On summarizing the above, an amount of Rs.3,66,283/- is due from the advertising contractor.

In view of the above, necessary action may be taken to recover the due amount of Rs.3,66,283/- from M/s. Prakash Arts P Ltd, Vijayawada under intimation to Audit.

(b). Reference Number: OBS-522226

Subject: Non-recovery of penal interest for belated payment of license fee on Multipurpose stall on PF No.1 of Vijayawada Railway Station

An agreement bearing No.B/C79/Catg/SG1MPS021/BZA/PF-1 was entered into by the Railway Administration with the Licensee Smt.K.Sandhya/Warangal for erection of

Multipurpose stall on PF No.1 of Vijayawada Railway Station. As per Clause 4.3 of conditions of contract of Multipurpose stall on PF No.1 of Vijayawada Railway Station, “any delay in payment of License Fee shall attract interest @18% per annum, calculated for the number of days of default”.

During the check of license fee payments of the above contract at O/o Sr.DCM/BZA, it was seen that License Fee for the period 01.07.2022 to 30.06.2023 was realized on 10.08.2022. Hence, as per the above clause of the contract, the LF is to be paid on or before 15.06.2022. This has resulted in delay in payment of LF and will attract penalty for 55 days @ 18% per annum. However, as per the available records, the penalty was not recovered from the contractor. The amount of non-recovery of penalty works out to Rs.27,823/- (Rs.1025789 x 18% ÷ 365 days x 55 days).

In view of the above, necessary action may be taken to recover the penalty amount of Rs.27,823/- for belated payment of License Fee from the contractor under intimation to Audit.

(c). Reference Number: OBS-522262

Subject: Non-recovery of penal interest for belated payment of license fee on Pay & Use Toilets on PF No.1 to 10 of Vijayawada Railway Station

The Pay & Use Toilets contract on PF No.1 to 10 of Vijayawada Railway Station was awarded to the licensee Sri Venkateswara Raju for a period of 10 years from 18.09.2015 to 17.09.2025 vide Agreement dated 15.10.2015. As per Clause 24 of conditions of contract, “the license fee of subsequent installments shall be paid one month before the completion of the first year/half year/quarter. Any delay in payment of License Fee shall attract interest @15% per annum, calculated for the number of days of default”.

However, during the check of license fee payments of the above contract at O/o Sr.DCM/BZA, it was seen that License Fee for the 1st quarter of 7th year license fee of Rs.12,52,613/- was realized on 09.09.2022. As per the above clause of the contract, due date for payment of 1st quarter of 7th year license fee falls on 18.08.2022. This has resulted in delay in payment of LF and will attract penalty for 23 days @ 15% per annum. However, as per the available records, the penalty was not recovered from the contractor. The amount of non-recovery of penalty works out to Rs.11,840/- (Rs.1252613/- x 15% ÷ 365 days x 23 days).

In view of the above, necessary action may be taken to recover the penalty amount of Rs.11,840/- for belated payment of License Fee from the contractor under intimation to Audit.

(d). Reference Number: OBS-521989

Subject: Non-recovery of penal interest for belated payment of license fee on Tea Stall on PF-2 & 3 at Gudivada Railway Station

An agreement was awarded to the Licensee Sri Sk.Parveen, Prop: M/s 7E Eleven Caterers on 11.11.2021 for erection of Tea Stall on PF-2 & 3 at Gudivada Railway Station. As per clause 4.3 of the conditions of contract, “any delay in payment of License Fee shall attract interest @18% per annum, calculated for the number of days of default.”.

During the check of license fee payments of the above contract at O/o CCI/GDV, it was seen that the penal charges has to be paid by the licensee for delay in payment of License Fee as detailed below.

Sl.No.	Nature of Fee	No. of days delayed	Amount
1	Penal Charges for delayed payment of 1 st year LF	41	7011
2	Penal Charges for delayed payment of Security Deposit	41	2583
3	Penal Charges for delayed payment of 2 nd year LF	169	28899
Total			38493

However, as per the available records, the penalty was not recovered from the contractor. In view of the above, necessary action may be taken to recover the penalty amount of Rs.38,493/- for belated payment of License Fee from the contractor under intimation to Audit.

(e). Reference Number: OBS-521986

Subject: Non-recovery of penal interest for belated payment of license fee on General Two Wheeler Parking Stand at Gudivada Railway Station

An agreement was awarded to the Licensee Sri N.Joseph vide LOA No. B/C.300/PS/General two wheeler/GDV/20, Dated 01.06.2020 for erection of General Two Wheeler Parking Stand at Gudivada Railway Station. As per the conditions of contract, “any delay in payment of License Fee shall attract interest @24% per annum, calculated for the number of days of default.”

During the check of license fee payments of the above contract at O/o CCI/GDV, it was seen that License Fee for the period 15.06.2022 to 14.03.2023 advised on 30.05.2022 by Sr.DCM/BZA was realized on 08.09.2022. Hence, as per the above clause of the contract, this has resulted in delay in payment of LF and will attract penalty for 101 days @ 24% per annum. However, as per the available records, the penalty was not recovered from the contractor. The amount of non-recovery of penalty works out to Rs.22,352/- (Rs.336575 x 24% ÷ 365 days x 101 days).

In view of the above, necessary action may be taken to recover the penalty amount of Rs.22,352/- for belated payment of License Fee from the contractor under intimation to Audit.

(f). Reference Number: OBS-508090

Subject: Non-recovery of penal interest for belated payment of license fee on Tea stall on PF No.1 of Narasapur Railway Station.

An agreement was awarded to the Licensee Sri A.Murthy vide LOA No. B/C 79/Catg/TS/SG1G/116/NS/PF1, Dated 19.10.2020 for erection of Tea Stall on PF No.1 of Narasapur Railway Station. As per Clause 4.3 of conditions of contract of Tea Stall on PF No.1 of Narasapur Railway Station, “any delay in payment of License Fee shall attract interest @18% per annum, calculated for the number of days of default.”.

During the check of license fee payments of the above contract at O/o CCI/BVRM, it was seen that License Fee for the period 14.03.2022 to 13.03.2023 was realized on 07.10.2022 though it was advised to remit the license fee on 02.05.2022 by Sr.DCM/BZA. Hence, as per the above clause of the contract, this has resulted in delay in payment of LF and will attract penalty for 158 days @ 18% per annum. However, as per the available records, it was noticed that the penalty was not recovered from the contractor. The amount of non-recovery of penalty works out to Rs.19,597/- (Rs.251511 x 18% ÷ 365 days x 158 days).

In view of the above, necessary action may be taken to recover the penalty amount of Rs.19,597/- for belated payment of License Fee from the contractor under intimation to Audit.

Para-4:

(a). Reference Number: OBS-522292

Subject: Non recovery of NPS contribution amounting to Rs.2,11,968/-

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 contribute to the NPS @10% of basic pay and DA commencing from the following month in which the employee joins the service and matching contribution will be made by the Government.

However, during the review of salary bills of Commercial Clerks (Pay Bill Unit No. 0907380), it was noticed that the contribution towards NPS is not being recovered from the following employees 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, Design, No.	Pay (Rs.)	DA (%)	NPS to be recovered @ 10% (Rs.)	From To	No of months	Total
1	K.Manjari, Sr.Coml.Clerk, 24129802574	29200	31	3,825	Nov-2021 to December-2021	2	7650
		29200	34	3,913	Jan-2022 to June-2022	6	23477
		29200	38	4,030	July-2022 to Oct-2022	4	16118
2	K.Sowjanya, Sr.Coml.Clerk, 24129802575	29200	31	3,825	Nov-2021 to December-2021	2	7650
		29200	34	3,913	Jan-2022 to June-2022	6	23477

		29200	38	4,030	July-2022 to Oct-2022	4	16118
3	N.Satya Ganga, Sr.Coml.Clerk, 24129802576	29200	31	3,825	Nov-2021 to December-2021	2	7650
		29200	34	3,913	Jan-2022 to June-2022	6	23477
		29200	38	4,030	July-2022 to Oct-2022	4	16118
4	H.Harini, Coml.Clerk, 24129802581	21700	31	2,843	Nov-2021 to December-2021	2	5685
		21700	34	2,908	Jan-2022 to June-2022	6	17447
		21700	38	2,995	July-2022 to Oct-2022	4	11978
5	Mekala Prameela, Coml.Clerk, 24129802583	21700	31	2,843	Nov-2021 to December-2021	2	5685
		21700	34	2,908	Jan-2022 to June-2022	6	17447
		21700	38	2,995	July-2022 to Oct-2022	4	11978
Total							211958

In view of the above, the 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-495740

Subject: Non recovery of NPS contribution amounting to Rs.35,112/-

The Railway employees who entered in to 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 D A commencing from the following month in which the employee joinder service and matching contribution will be made by the Government.

However, during the review of salary bills of the O/O Chief Commercial Inspector/RJY (Pay Bill Unit No 0907360), it is noticed that the contribution towards NPS is not being recovered from Smt Anu Shree Coml.Clerk working at kovvur. 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 & Design	Emp No	Pay (Rs.)	DA as on	NPS to be recovered at 10% (Rs.)	From to	No of months	Total
1	ANNU SHREE COML.CLERK	24129802 579	21700	31%	2,847	Nov-2021 to December-2021	02	5,684
			21700	34%	2,908	Jan-2022 to June-2022	06	17,448
			21700	38%	2,995	July-2022 to Oct-2022	04	11,980
Total								35,112

In view of the above, the reasons for non commencement of recovery of subscriiption towards NPS may be furnished to Audit duly taking necessary action to recover/regularize the issue under intimation to Audit.

(c). Reference Number: OBS-518512

Subject: Non recovery of NPS contribution amounting to Rs.35,112/-

The Railway employees who entered in to 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 D A commencing from the following month in which the employee joiner service and matching contribution will be made by the Government.

However, during the review of salary bills of the O/O Chief Commercial Inspector/NLR (Pay Bill Unit No 0907375), it is noticed that the contribution towards NPS is not being recovered from M.Manasa, Coml.Clerk working at Nellore. 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 & Design	Emp No	Pay (Rs.)	DA as on	NPS to be recovered at 10% (Rs.)	From to	No of months	Total
1	M.Manasa COML.CLERK	241298025 78	21700	31%	2,847	Nov-2021 to December- 2021	02	5,684
			21700	34%	2,908	Jan-2022 to June-2022	06	17,448
			21700	38%	2,995	July-2022 to Oct-2022	04	11,980
Total								35,112

In view of the above, the reasons for non commencement of recovery of subscriiption towards NPS may be furnished to Audit duly taking necessary action to recover/regularize the issue under intimation to Audit.

Para-5:

Reference Number: OBS-522271

Subject: Non-recovery of License Fee from contractor of 'Health check-up kiosk' at BZA Railway station 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 'Health check-up kiosk' at BZA Railway station was awarded in favour of M/s.Team Lead Corporates Prop. Sri. K. Krishna Kishore under NINFRIS policy at a license fee of Rs.1,25,000/- per annum. The licensee remitted the

license fee and operated the contract w.e.f. 06/10/2019. Due to Covid-19 pandemic, the said kiosk was closed on 25/03/2020 and subsequently re-opened on 10/08/2021. As a part of Covid-19 relief measures, the 90 days dies non-period (25/03/2020 to 22/06/2020) was added after resumption of contract i.e. from 10.08.2021 to 07.11.2021 and further extension of contract period for one year was given from 08/11/2021 to 07/11/2022. Accordingly, licensee was advised for payment of license fee up to 07/11/2022 after adjustment of amount in credit with railways. The details are furnished hereunder:

Sl.No	Description	Amount (Rs)
1	License fee per annum paid by the licensee for period 04-10-2019 to 03-10-2020	1,25,000
2	License fee in credit with railways for period 25-03-2020 to 03-10-2020 (195 days inoperative period) (Sn.1 x 193/365)	66,095.89
3	License fee for 90 days extended period from 10-08-2021 to 07-11-2021 (Sn.1 X 90/365)	30,821.91
4	License fee for extended 1 year period from 08-11-2021 to 07-11-2022	1,25,000
5	Total license fee for extended period 10-08-2021 to 07-11-2022 (Sn.3+Sn.4)	1,55,821.91
6	License fee payable after adjusting with amount in credit with railways (Sn.5-Sn.2)	89,726

In view of the above, necessary action may be taken to collect the license fee of Rs.89,726/- as well as GST invoices for Rs.16,151/- (@18% on LF 89,726) under intimation to Audit.

Para-6:

(a). Reference Number: OBS-522302

Subject: Non-recovery of revised license fee after conducting of sales assessment at Ongole Station

During the inspection of O/o Sr.DCM/BZA, it was noticed that a joint sales assessment has been conducted by the SSO/Accounts/BZA and CCI/TEL on Fruit Juice Stall (SG1GMU025) at Platform No.1 of Ongole Railway Station on dates 14.09.2022, 16.09.2022 and 17.09.2022. The details are as under:

Name of the Licensee: Smt. N.V.Koteswaramma

License Fee Amount: Rs.3,66,846/-

Sl.No.	Date	Total Sales (Counter + PF Vendors)
1	14.09.2022	8805
2	16.09.2022	8915
3	17.09.2022	8755

Average per day	8825
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As per condition of the contract, actual license fee shall be fixed as 12% of the sales assessment after carrying out the same within six months of commencement of tenure of license. However, the license fee thus fixed after sales assessment shall not be less than the rate quoted by the licensee in his tender document and license fee fixed by Administration and advised to the licensee in the LOA. Hence, License Fee should be fixed at Rs.3,86,535/- (Rs.8825 x 365 x 12%) and difference of License Fee should be recovered from the contractor.

However, difference of License Fee of Rs.19,689/- (Rs.3,86,535- Rs.3,66,846) was not recovered from the contractor.

In view of the above, necessary action may be taken to recover the difference of License Fee of Rs.19,689/- under intimation to Audit.

(b). Reference Number: OBS-522161

Subject: Non-recovery of revised license fee after conducting sales assessment at Tenali Station

During the inspection of O/o CCI/TEL, it was noticed that a joint sales assessment has been conducted by the SSO/Accounts/BZA and CCI/TEL on Tea Stall (SG1GMU039) at Platform No. 2&3 of Tenali Railway Station on dates 19.09.2022, 21.09.2022 and 22.09.2022. The details are as under:

Name of the Licensee: Smt. R.Rama Devi

License Fee Amount: Rs.5,39,137/-

Sl.No.	Date	Total Sales (Counter + PF Vendors)
1	19.09.2022	13140
2	21.09.2022	13215
3	22.09.2022	12880
Average per day		13078

As per condition of the contract, actual license fee shall be fixed as 12% of the sales assessment after carrying out the same within six months of commencement of tenure of license. However, the license fee thus fixed after sales assessment shall not be less than the rate quoted by the licensee in his tender document and license fee fixed by Administration and advised to the licensee in the LOA. Hence, License Fee should be fixed at Rs.5,72,816/- (Rs.13078 x 365 x 12%) and difference of License Fee should be recovered from the contractor.

However, difference of License Fee of Rs.33,679/- (Rs.5,72,816 - Rs.5,39,137) was not recovered from the contractor.

In view of the above, necessary action may be taken to recover the difference of License Fee of Rs.33,679/- under intimation to Audit.

Para-7:**Reference Number: OBS-522284****Subject: Non-recovery of Conservancy Cess Charges from the contractors 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, four contracts were awarded at Vijayawada Railway Station during 2019-20 under NINFRIS policy and Conservancy Cess Charges of Rs.1740/- per annum were collected for occupation of Railway land (@Rs.145/- per month) along with License Fee. Conservancy Cess Charges were revised w.e.f 01.07.2021 vide Railway Board letter no. F(X)I-95/1/1 Dt.07.09.2021. However, revised Conservancy Cess charges @Rs.159/- were not collected for the extension period and the details are as under:

Sl.No.	Contract Name	Licensee	Contract Period		Extension of the contract by 90 days non period w.e.f. 10.08.2021	Extension of the contract by one year there after	Conservancy Cess Charges to be collected @Rs.159/ per month
			From	To			
1	Health Check-up kiosk at BZA station	M/s Team lead Corporates, Hyderabad	04-10-2019	03-10-2020	07-11-2021	07-11-2022	1908
2	Cell Phone and Accessories kiosk at BZA	Sri K.Brahmaiah, Vijayawada	12-09-2019	11-09-2020	07-11-2021	07-11-2022	1908
3	Fish pedicure counter incl. foot massage	Sri K.Brahmaiah, Vijayawada	18-12-2019	17-12-2020	07-11-2021	07-11-2022	1908
4	Handlooms and Handicrafts kiosk	Sri Ganji Maruthi, Gajwel	17-02-2020	16-02-2021	07-11-2021	07-11-2022	1908
Total							7632

In view of the above, necessary action may be taken to recover the Conservancy Cess charges of Rs.7,632/- from the contractors under intimation to Audit.

Para-8:**(a). Reference Number: OBS-522175****Subject: Non-recovery of Cab Fee and GST thereof at Vijayawada 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/Tempos parking at various Railway stations

and Cab fee should be collected in the first month of commencing period i.e. in the month of April and October. The details of cab fee tariff charges 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

However, during the inspection of O/o CCI/BZA, it was noticed that Auto Cab fee is due from the Auto drivers at Vijayawada station. Further, GST amount @ 18% on cab fee tariff is being collected at other stations (viz. Gudivada, Tenali). Whereas, GST is not being collected at Vijayawada station. The detailed are as under:

Sl.No.	Place	Period	Tariff (Rs.)	Tariff including GST @ 18% (Rs.)	Total No. of Autos	Payment received for No. of Autos	Amount of GST to be collected from cab drivers	No. of Autos for payment of Cab Fee (Rs.)	Total Cab Fee due including GST (Rs.)
1	2	3	4	5	6	7	8 = 7 x Rs.540	9	10=5 x 9
1	East Office-1 Booking	01.04.2022 to 30.09.2022	3000	3540	84	75	40500	9	31860
2	East Office-2 Booking	01.10.2022 to 31.03.2023	3000	3540	42	37	19980	5	17700
3	Parcel Office Gate		3000	3540	98	57	30780	41	145140
4	West Office Booking		3000	3540	15	15	8100	0	0
5	Tarapet Office Booking		3000	3540	11	10	5400	1	3540
1	East Office-1 Booking		3000	3540	84	0		84	297360
2	East Office-2 Booking	3000	3540	42	0		42	148680	
3	Parcel Office Gate	3000	3540	98	4		94	332760	
4	West Office Booking	3000	3540	15	9		6	21240	
5	Tarapet Office Booking	3000	3540	11	0		11	38940	
							104760		1037220

In view of the above, necessary action may be taken to collect the Cab fee and GST thereof amounting to Rs.11,41,980/- from the Auto drivers under intimation to Audit.

(b). Reference Number: OBS-522157

Subject: Non-recovery of Cab Fee at Tenali 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.

However, during the inspection of O/o CCI/TEL, it was noticed that Auto & Car Cab fee is due from the 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	01.10.2022 to 31.03.2023	2500	2950	37	109150
2	Car	01.10.2022 to 31.03.2023	4500	5310	4	21240
Total						130390

In view of the above, necessary action may be taken to collect the Cab fee of Rs.1,30,390/- from the Auto and Car drivers under intimation to Audit.

(c). Reference Number: OBS-521992

Subject: Non-recovery of Cab Fee at Gudivada 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/Tempos 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.

However, during the inspection of O/o CCI/GDV, it was noticed 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	01.10.2021 to 31.03.2022	1500	1770	5	8850

2	Auto	01.04.2022 30.09.2022	to	1500	1770	5	8850
3	Auto	01.10.2022 31.03.2023	to	1500	1770	113	200010
Total							217710

In view of the above, necessary action may be taken to collect the Cab fee of Rs.2,17,710/- from the Auto drivers under intimation to Audit.

Para-9:

(a). Reference Number: OBS-522168

Subject: Overpayment of Transport Allowance

In terms of Railway Board letter No.PC-V/2017/A/TA dt.03.08.2017, Railway employees are entitled for transport allowance at prescribed rates, according to the classification of cities as well as pay levels of the employees. However, in terms of para 4(a) of the letter ibid, transport Allowance was not being admissible to any employee for the calendar months fully covered by leaves.

During the check of Muster Extracts and Attendance Registers maintained at O/o CCI/TEL, it was noticed that transport Allowance was paid though staff were on leave for more than a calendar month and excess payment is assessed at Rs.11,142/- as detailed below.

Sl.No.	Name, Designation & PF No.	Nature of Leave	From	To	No of Months	Over payment (Rs.)
1	K.Vidhyulatha, SRCC, 244IG140196	ML	05.12.2020	02.06.2021	Rs.2106x01 month (01/21)	Rs.2106
2	Thullimilli Nalini, CSR, 244IG120406	CCL	15.03.2021	03.05.2021	Rs.2106x01 month (04/21)	Rs.2106
3	D.Gopi, RS-II, 244IG040023	Sick	26.04.2021	31.05.2021	Rs.2106x01 month (05/21)	Rs.2106
4	T.Subrahmanyam, CSR, 24401819653	Sick	24.08.2022	10.11.2022	Rs.2412x01 month (09/22)	Rs.2412
5	Sk Khasimbi, CSR, 244IG140058	Sick	12.03.2022	31.05.2022	Rs.2412x01 month (04/22)	Rs.2412
Total						Rs.11142

In view of the above, necessary action may be taken to regularize the issue and intimate final outcome to Audit.

(b). Reference Number: OBS-501490

Subject: Overpayment of Transport Allowance

In terms of Railway Board letter No.PC- V/2017/A/TA dt.03.08.2017, Railway employees are entitled for transport allowance at prescribed rates, according to the classification of cities as well as pay levels of the employees. However, in terms of para 4(a) of the letter ibid, transport Allowance is admissible to any employee for the calendar months fully covered by leaves.

During the check of Muster Extracts and Attendance Registers being maintained at O/o CCI/OGL, it was noticed that transport Allowance was paid though staff were on leave for more than a calendar month and excess payment is assessed at Rs.9036/- as detailed below.

Sl.No.	Name, Designation & PF No.	Nature of Leave	From	To	TA paid X No of Months	Over payment (Rs.)
1	M.Ynadia, SR.TE (PF No.24409901127)	Sick	03.11.2020	15.01.2021	Rs.2106x01 month	2106
2	SV.Samasivarao, SR.SBC (PF No.244IG090259)	Training	31.01.2020	04.03.2020	Rs.21062x01 month	2106
3	A.Amarndrasingh, BSR (PF No.24409813159)	Sick	09.04.2022	23.07.2022	Rs.2412x02months	4824
Total						9036

In view of the above, necessary action may be taken to regularize the issue and intimate final outcome to Audit.

PART-II-(B)

(Other incidental Audit Findings)

Para-10:

Reference Number: OBS-521988

Subject: Non-recovery of penal interest for belated payment of license fee on Tea Stall on PF-1 of Gudivada Railway Station

An agreement was awarded to the Licensee Sri Ch.Hemanth Kumar on 04.01.2019 for erection of Tea Stall on PF-1 at Gudivada Railway Station. As per clause 3.3(b) of the conditions of contract, "any delay in payment of License Fee shall attract interest @18% per annum, calculated for the number of days of default."

During the check of license fee payments of the above contract at O/o CCI/GDV, it was seen that License Fee was renewed for a period of 3 years from 21.07.2022 to 20.07.2025 and annual license fee of Rs.3,84,339/- for the period from 21.07.2022 to 20.07.2023 has to be paid by 29.07.2022. However, annual license fee was realized on 08.08.2022. Hence, as per the above clause of the contract, this has resulted in delay in payment of LF and will attract penalty for 10 days @ 18% per annum. However, as per the available records, the penalty was not recovered from the contractor. The amount of non-recovery of penalty works out to Rs.1,895/- (Rs.384339 x 18% ÷ 365 days x 10 days).

In view of the above, necessary action may be taken to recover the penalty amount of Rs.1,895/- for belated payment of License Fee from the contractor under intimation to Audit.

PART-III

(Follow up on findings outstanding of previous Inspection Reports)

PART-IV (Best Practice)

PART-V (Acknowledgement)



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