

Engineer Officer's Departmental Accounts Exam. Session -10/2011

MODEL SOLUTION

Question no.1 (a)

According to Para 6.8 to 6.12 (Chapter VI) of Capital Expenditure and Fixed Assets Manual, It is a fundamental rule that no work shall be commenced unless a properly detailed design and estimate have been sanctioned, allotment of funds made, and order for its commencement issued by competent authority. However, there are exceptions to these fundamentals. It may occasionally in urgent cases be necessary to commence certain works in anticipation of the sanctioned estimate. In these cases whether on the ground of urgency or otherwise, Divisional Officer is required to carry out a work for which no estimate have been sanctioned or for which no financial provision exists, the order of the officer authorizing the work should be conveyed in writing. Even if such an approval has been accorded, the expenditure incurred is in no way regularized, until an estimate is sanctioned by competent authority. The Divisional Officer concerned should therefore take immediate steps to have estimate (final or tentative) sanctioned for such works. In case of petty works e.g. in case of any building, the cost of the ordinary annual repair (excluding municipal taxes) of which is less than Rs2500/-, the Superintending Engineer may prescribe, subject to revision of limit from time to time, lump sum limited to Rs. 2500/- (plus the amount of municipal taxes if any payable by the Board) to cover the cost of maintenance and within this amount, expenditure will be permissible without any detailed estimate being prepared. If in any working year the estimated cost for maintenance is more than the permissible limit or the lump sum sanctioned by the Superintending Engineer is exceeded, a detailed estimate must be prepared in accordance with the ordinary rules and sanctioned by the competent authority. Thus for every work proposed to be carried out, a properly detailed estimate must be prepared for the sanction of the competent authority, the sanction is known as technical sanction to the estimate and amounts to a guarantee that the proposals are structurally sound and that the estimates are accurately calculated and based on adequate data. Apart from the detailed plans and designs, the estimating authorities base their estimates on the schedules of rates which play a valuable role in its preparation. The schedule of rates is based on the local market rates and is kept up to date.

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Engineer Officer's Departmental Accounts Exam. Session -10/2011
MODEL SOLUTION

Question no.1 (b)

According to Para 2.1 (Chapter II) of Capital Expenditure and Fixed Assets Manual, Every employee incurring or sanctioning expenditure from the revenues of the Board should be guided by high standards of financial propriety. Each officer of the Board is responsible for enforcing financial order of strict economy at every step. He is responsible for the observance of all financial rules and regulations both by his own office and by subordinate disbursing offices. Among the principles on which emphasis is generally laid are the following:-

1. Every employee is expected to exercise the same vigilance in respect of expenditure incurred from Board's money as a person of ordinary prudence would exercise in respect of the expenditure of his own money.
2. The expenditure should not be prima facie more than the occasion demands.
3. Money borrowed on the security of allocated revenues should be expended on those objects only for which money is borrowed.
4. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
5. Board's revenues should not be utilized for the benefits of a particular person or section of the community unless:
 - the amount of expenditure involved is insignificant, or
 - a claim for the amount could be enforced in a court of law, or
 - the expenditure is in pursuance of a recognized policy or custom.
6. No authority should sanction any expenditure which is likely to involve, at a later date, expenditure beyond its own powers of sanction.
7. The amount of allowances, such as traveling allowance, granted to meet expenditure of a particular type, should be so regulated that the allowances are not on the whole the sources of profit to the recipients.

MODEL SOLUTION

Question no.2 (a)

As per Para 9.1 (Chapter IX) of Capital Expenditure and Fixed Assets Manual, the sanction to an estimate must on all occasions be looked upon as strictly limited by precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate for a definite project or work should not, without sanction of the competent authority, be applied to carry out additional work not contemplated in the original project or work. Further para 9.2 of ibid chapter provides that the savings due to abandonment of a substantial section of any project shall not be available for execution of work on another section without the sanction of the authority who originally sanctioned the project estimate. Thus the authority who gave the administrative approval can order to utilize the savings. In this case if the administrative approval has been accorded by the Xen then his proposal is in order.

Question no.2 (b)

As per Para 6.32 (Chapter VI) of Capital Expenditure and Fixed Assets Manual, estimate for special repairs remain current till completion of the repairs. Sanction to such an estimate ordinarily ceases to operate after a period of five years from the date upon which it was accorded. Therefore the proposal of Xen is in order.

Question no.2 (c)

As per Para 15.12 (Chapter XV) of Capital Expenditure and Fixed Assets Manual, Board does not undertake to take over from contractors, whether before or after the completion or termination of contracts surplus materials which were originally procured by the contractors for themselves or were issued to them and debited to their accounts. Such materials are the property of the contractors. The action of the Divisional officer is, therefore, correct and is in accordance with the instructions.

Question no.2 (d)

As per Para 11.1(i) (Chapter X1) of Capital Expenditure and Fixed Assets Manual, the secured advance can be granted to contractor under the orders of the Divisional Officer when the material has actually been brought to the site of work and a formal agreement has been drawn up with the contractor under which Board/Corporation secures lien on that material. In the present case the bricks are still in the kiln and grant of secured advance is irregular. It constitutes unauthorized aid to the contractor.

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Engineer Officer's Departmental Accounts Exam. Session -10/2011

MODEL SOLUTION

Question no.3 (a)

- I. 75.520
- II. 47.305
- III. 24.412
- IV. 70.102
- V. 76.193

Question no.3 (b)

- I. Units purchase account through banking from other states.
- II. adjustable against State Govt. loans towards settlement on account of electricity bills due from Punjab Govt. Department
- III. Theft of power detected by DS organization – Small Power
- IV. Deduction made from the contractor on account of building and other construction cess
- V. Arrear of Leave encashment due to revision of pay scales w.e.1.1.1.2006 to 31.10.2009.

Question no.3 (c)

- I. False
- II. False
- III. True
- IV. True
- V. False

Question no.3 (d)

According to Para 3.2 of Basic Accounting Principles and Policies--Part-2 (Procedural Matters relating to Accounting Transactions) Usance Bill are the bills issued under Deferred Credit scheme. Such bills may include even the interest for future years.

Engineer Officer's Departmental Accounts Exam. Session -10/2011

MODEL SOLUTION

Question no.4 (a)

According to Para 11.1 to 11.4 (Chapter X1) of Capital Expenditure and Fixed Assets Manual, advances to contractors are as a rule prohibited, and every endeavour should be made to maintain a system under which no payments are made except for works actually done and measured. Exceptions are, however, permitted in the following cases:-

1. Cases in which a contractor, whose contract is for finished work, requires an advance on the security of materials brought to site. The Divisional officer may, in such cases, sanction advances up to an amount not exceeding 75 % of the value (as assessed by himself) of such materials , provided that they are of imperishable nature and that a formal agreement is drawn up with the contractor under which the Board secures a lien on the materials and is safeguarded against losses due to the contractor postponing the execution of the work or to the shortage or misuse of the materials and against the expenses entailed for their proper watch and safe custody . Payment of such advances should be made only on the certificate of an officer (not below the rank of Sub Divisional Officer):
 - a) that the quantities of materials upon which the advances are made have actually been brought to site;
 - b) that the contractor has not previously received any advances on that security, and ;
 - c) that the materials are those required by the contractor for use on items of work for which rates for finished work have been agreed upon. The officer granting the above certificate will be held personally responsible for any overpayment which may occur in consequence.

Recoveries of advances so made should not be postponed until the whole of the work entrusted to the contractor is completed. They should be made from the bills for work done as the materials are used, the necessary deductions being made whenever the items of work in which they are used.
2. An advance payment i.e. a payment on a running account to a contractor for work actually executed but not measured may be made on the certificate of a responsible Board employee (not below the rank of Sub Divisional Officer) to the effect that not less than the quantity of work paid for has actually been done, and the Board employee granting such a certificate will be held personally responsible for any overpayment which may occur on the work in consequence. Final payments may, however, in no case be made without detailed measurements.
3. Cases in which in the interest of works, it is absolutely necessary to make petty advances. In such cases advances up to Rs. 50/- may be allowed by Sub Divisional Officer.
4. In all other cases the sanction of the Board must be obtained, which will be accorded if indispensable, and provided that the necessary precautions are taken for securing the Board against loss. Such a system will not be allowed to become general or to continue longer than is absolutely essential.

MODEL SOLUTION

Question no.4 (b)

As per Para 9.4 and 9.5 (Chapter IX) of Capital Expenditure and Fixed Assets Manual, a supplementary estimate will be necessary if execution of a work becomes necessary when the project is still in progress but was not included in the original estimate of the project. Whereas revised estimate shall be prepared when the sanctioned estimate is likely to be exceeded by more than 5% due to increase in the rates or any other cause except when supplementary estimate will be required. A revised estimate will also become necessary if at any time, either before or during the construction of a work, it is found that the original estimate is excessive for reasons other than abandonment of a section of a sanctioned project or change from the original proposals.

Engineer Officer's Departmental Accounts Exam. Session -10/2011**MODEL SOLUTION****Question no.5 (a)**

According to Para 3.2 (Chapter III) of Capital Expenditure & Fixed Assets a disbursing officer has to satisfy not only himself but also to the audit,

- I. That a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports and that an account is correct in all respects.
- II. That all accounts should be so kept and the details so fully recorded, as to afford the requisite means for satisfying any enquiry that may be made into the particulars of any case even though such enquiry may be as to the economy or bonafides of the transactions.
- III. That the records of payment, measurements and transactions in general must be so clear, explicit and self contained as to be producible as satisfactory and convincing evidence of facts, if required in a Court of Law.
- IV. That all transactions involving the giving or taking of cash, stores, other properties, rights, privileges and concessions which have money values should be brought to account.
- V. That the record of transactions of receipt or expenditure should always be made at once under the final or the debit or remittance head to which it pertains, if that be known, but if the exact head cannot be ascertained at once, then the transaction should be classified temporarily under Deposits Account code 46.926, if a receipt, or under misc. advances Account code 28.868, if a charge.

Question no. 5(b)

Completion report is a statement setting forth the estimated amount, expenditure, excess, percentage of excess, date of commencement of work and date of completion. It is prepared in form CE32 on the completion of the work on which the outlay has been recorded by Sub heads. It gives comparison and explanation of difference between the quantities, rates and cost of various items of works executed and those in the estimate.

MODEL SOLUTION

Question no. 5(c)

- I. According to Para 1.40 of Basic Accounting Principles and Policies--Part-2 (Procedural Matters relating to Accounting Transactions) Cash discount received on making timely payment to supplier/ contractor shall be credited to the Revenue Accounts as an income for the year in which the cash discount is earned.
- II. According to Para 1.36 of Basic Accounting Principles and Policies--Part-2 (Procedural Matters relating to Accounting Transactions) any excess observed on physical verification of assets shall be brought to account by valuing each excess item at one rupee each and the credit will be given to miscellaneous income account .
- According to para 1.37 of ibid Manual the written down value of assets not found on physical verification and established after investigation, as deficit shall be written off by transferring the cost and accumulated depreciation on such assets to the Revenue Account.
- III. According to Para 2.101 of Basic Accounting Principles and Policies--Part-1 (Accounting Policies) Costs relating to receipt and stocks of fuel other than the freight cost and fuel cost shall not be added to the value of fuel received , consumed or in stock. These costs when incurred (whether paid or not) shall be charged to revenue through the relevant account provided for these costs.
- IV. According to Para 2.77 of Basic Accounting Principles and Policies--Part-1 (Accounting Policies) Gain arising on sale of assets to the extent of total depreciation charged on sold asset shall be treated as a revenue item. The gain shall be credited to Revenue account for the year in which the asset is sold. The gain, if any, in excess of the accumulated depreciation shall be treated as a capital gain and credited to Capital Reserve.

Solution Paper-2 EO- Oct.2011

- Q.No.(1) (i) Mr. X while drawing Rs.22400 in the pay scale of 10900/34800+4350 (G.P.) and promoted in the scale of 10900/34800+4300 being lower grade pay but one increment @ 3% shall be granted on promotion and his pay will be fixed as under:-

<u>Pay as on</u>	<u>Existing Scale</u>	<u>Promotional New Scale</u>
1.10.2011	22400/-	-
1.10.2011	-	23080/-

- (ii) "Grade Pay" is fixed pay which is drawn in the running pay band of the scale whereas HAG scale is a minimum of Rs.67000 and maximum of Rs. 79000 with no grade pay, with higher administrative grade scale.

Solution Paper-2 EO- Oct.2011

Q.No.2 (I)

Additional quantum of pension is a increased %age amount payable in addition to the basic revised pension to the old pensioners/family pensioner at the following rates:-

	Age	%age of revised basic pension
1.	65 to 75	5%
2.	75 to 80	10%
3.	80 to 85	20%
4.	85 to 90	30%
5.	90 to 95	40%
6.	95 to 100	50%
7.	100 year or more	100%

- (II) Yes, under Note 2 of Reg.6 of the GPF, a temporary employee who completes one year of his service at the mid of the month, he can subscribe in the G.P.fund from the subsequent month.

Solution Paper-2 EO- Oct.2011

- Q.No.3 (I) Yes, under Reg. 2.7 of the MSR Vol-I, Part-I date of death is regarded as duties and full pay and allowances are payable for that date and the period shall be reckoned for all intends and purposes.
- (II) As per Appendix 8(I) of the MSR Vol-II, irrespective of the length of service, 20 causal leave are admissible to all the female employee.
- (III) Under Reg.14 (I A) (II) no further refundable advance is admissible/sanction by the Competent Authority from the GP Fund unless earlier advance is fully paid.
- (IV) Yes, the amount of solatium in equal share is payable to all the dependents of deceased employee on the production of succession certificate.

Solution Paper-2 EO- Oct.2011

Q.No.4

TA Bill of the officer for the month of 10/11 by staff car.

Date & Time of Journey	Place of Journey	No. of Dailies	Daily Allowance (Rs.)
3.10.11 6.00 A.M.	Patiala to Haridwar	1	100
4.10.11 to 5.10.11	attended meeting	2	200
6.10.11	Holiday	1	100
7.10.11	Attended work but taken short leave	No daily is admissible	-
8.10.11 & 9.10.11	Stayed being holidays	2	200
10.10.11	Finished work	1	100
11.10.11	Returned HQ at 9 AM	1	100
Total			800

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Solution Paper-2 EO- Oct.2011

Q.No.5 Following pensionary benefits are admissible to Mr. A on his retirement on superannuation as on 31.10.2011:-

(In Rs.)

- | | | | |
|------|------------------|--|-----------------|
| i) | Basic Pension | $= 79000 \times 33/66$ | $= 39500/-$ |
| ii) | DCRG | $= 79000 + 40290 \times 66/4$
$= 19,68,285/-$ | $= 10,00,000/-$ |
| iii) | Commutated value | $= 39500 \times 40\% \times 12 \times 8.371$ | $= 1587142/-$ |
| iv) | Leave encashment | $= 79000 + (51\% \text{DA}) \times 300/30$ | $= 1192900/-$ |

Solutions of Paper-III (Revenue Accounts)

Answer to question no. I (a)

Billing Month – May, 2011

Bill issue dated – 13.06.2011

Bill No.

Date of Payment = 25.06.2011

Total KWH 305178 – 292782 = 49584

Total KVAH 307783 – 295047 = 50744

Power factor = 49584 / 50744 = 0.98

Energy charges (Commercial) = 49584 x 4.93 = Rs. 24,44,49/-

Power factor incentive = (-) 24,44,49 x 0.08 x 0.25 = (-) Rs. 4889

Fuel Cost adjustment surcharges @ 8 P / unit = 49584 x 0.08 = Rs. 3966

i) Total Charges (SOP) = Rs. 243526

ii) Rent = Rs. 555

iii) Service Charges = Rs. 150

vi) E.D. (@ 13% on SOP) = Rs. 31658

v) Octroi @ 10 p / Unit = 49584 x 0.01 = Rs. 4958

Total (i+ii+iii+iv+v) = Rs. 280847

Net Amount payable by due date = Rs. 280850 = 00

(Rs. Two lac eighty thousand eight hundred fifty only)

Surcharge amount: -

i) For payment within one week after due date @ 5% = Rs. 12212

ii) For payment beyond one week after due date @ 10% = Rs. 24423

Answer to question I (b)

(i)	Domestic	Energy Rate (paise / KWH)
a)	Upto 100 units	348
b)	101 to 300 units	488
c)	Above 300 units	515
(ii)	Seasonal Industrial LS consumers	
	During season (1 st September to 31 st May next year)	495
	During Off Season	567
(iii)	Temporary Supply to NRS	880

Answer to question I (c)

i)	MMC applicable to MS consumers w.e.f. 01.04.2011	Rs. 162 / KW
ii)	MMC applicable to LS consumers w.e.f. 01.04.2011	
	a) General	Rs. 145 / KVA
	b) PIU	Rs. 383 / KVA
	c) Arc Furnace	Rs. 383 / KVA

Answer to question No. 2.

- (i) In case of HT/EHT consumers receiving supply at 11 KV and above if metering equipment is installed on LV side of the transformer due to non-availability of metering equipment, both the energy consumption and maximum demand shall be enhanced by 3% to account for the losses.
- (ii) In case KVAH consumption is not available due to defective meter or otherwise, the average of monthly average power factor of the consumer's installation recorded during the last three correct working months preceding the period of overhauling (i.e. period of review of billing account) shall be taken as monthly average power factor for the purpose of levy of power factor surcharge or allowing incentive till such time KVAH consumption is available.
- (iii) No load surcharge shall be levied for the extra load connected by the consumer temporarily or otherwise thereby exceeding sanctioned connected load provided the sanctioned contract demand is not exceeded during the month.
- (iv) If the connected load of a consumer exceeds the sanctioned load, the excess load shall be unauthorized load. Such excess load shall be charged load surcharge at an additional rate of Rs.1000/- per BHP for each default. This load surcharge shall be without prejudice to PSPCL's right to take such other appropriate action as may be deemed necessary to restrain the consumer from exceeding his sanctioned connected load. However, if unauthorized extension is up to 10% of the sanctioned load, the consumer shall pay load surcharge and connection may not be disconnected. The unauthorized load so detected shall, however, be got removed.
Any consumer who exceeds his sanctioned connected load shall be liable to compensate the PSPCL for all damages occasioned to its equipment or machinery by reason of this default. Without prejudice to this right, the PSPCL may also cause the service of the consumer to be disconnected without any notice.
- (v) The misuse of power supply provided for agricultural tubewells for other purposes such as domestic, commercial and industrial purposes is strictly banned. In case any consumer is found misusing AP supply for other activities such as Poultry Farms, Brick Kilns & Farm Houses etc, his connection shall be disconnected immediately without any notice and only metered supply under relevant industrial tariff depending upon the load shall be given as per procedure laid down in the Sales instructions of the PSPCL.
Such consumer shall also pay compensation amount @ Rs.750/- per KW or part thereof of the sanctioned load.

- (vi) Seasonal Industries mean industries/ factories, which by virtue of nature of their production, work during part of the year up to a maximum of 9 months during the period of 1st Sept. to 31st May, Next year.

Approved Seasonal Industries are as under:-

- a) All cotton ginning, pressing and bailing plants.
- b) All rice shellers.
- c) All rice bran stabilization units (without T.G.Sets).
- d) Kinnow Grading and waxing centres.

(vii) **A.P. consumers**

- (i) AP consumers are required to comply with the following standards:-
 - (a) Delivery pipe should not be more than two feet above the ground level water channel except for the consumers having an underground irrigation system ;
 - (b) Bend used in the delivery pipe should not be sharp but of suitable curvature ;
 - (c) Pump set should be installed on a levelled cemented foundation. Consumers not complying with these standards are liable to pay surcharge as per General Conditions of Tariff.
- (ii) These standards may be amended by the Board with the prior approval of the Commission.

Answer to question No. 3.

(i)

- (a) The poultry farms and accredited news paper printing presses are termed as industrial premises and shall be charged under relevant industrial tariff. However, the lighting load in the premises of accredited news paper presses shall be metered separately and charged as per rates under Schedule Non-Residential Supply.
- (b) Oil Gas terminals, gas bottling plant and depots of oil / gas companies will be charged under relevant schedule of industrial tariff/Schedule of Tariff.
- (c) Relevant industrial tariff shall be applied for such tubewells which are exclusively used for fish farming.

(ii) Billing cycle/Periodicity of Billing & Grace Period is as under:-

NRS	Monthly Billing for loads above 20 KW	Grace Period
	Bi-Monthly Billing for loads up to 20 KW	15 days from date of delivery of bill.
Railways	Monthly Billing	21 days from date of delivery of bill.

(iii)

(a) Liability for payment of Minimum charges

Minimum Charges are required to be paid by a consumer as specified in the General Conditions of Tariff.

The minimum charges will be payable by a consumer even if no electricity is actually consumed or the bill on actual consumption is less than the minimum charges. Minimum charges will also be payable even if electricity is not consumed because supply has been disconnected by the Board owing to non-payment of electricity charges, or any other dues of the Board or any violation of the Conditions of Supply/Supply Code or Regulations framed under the Act. However, after termination of the agreement / permanent disconnection, the liability for payment of minimum charges will cease.

(b) Late Payment Surcharge

In the event of the monthly energy bill or other charges relating to electricity not being paid in full within the time specified in the bill, the consumers are levied late payment surcharge.

For all categories of consumers having load of 100 KW and above, surcharge on late payment of electricity bills shall be 5% upto 7 days after the due date. After 7 days, the surcharge shall be @ 10% on total amount of bill upto one year and period is to be reckoned from the due date on total amount of the bill. For consumers having connected load less than 100 KW, the surcharge shall be leviable @ 10% on total amount of the bill upto one year, in case electricity bills are not paid within the due date.

In case of AP consumers, late payment surcharge shall not be levied upto 7 days after the due date. Interest @ 1.5% per month shall be charged after expiry of one year from the due date of the bill on gross unpaid amount including surcharge. Part of the month shall be treated as full month for this purpose.

(iv)

- (a) **The following Dispute Settlement Committees have been put in place after approval of the Commission.**

	Dispute Settlement Committee-
i)	Zonal Dispute Settlement Committee-(ZDSC)
ii)	Circle Dispute Settlement Committee(CDSC)
iii)	Divisional Dispute Settlement Committee-(DDSC)

Nature of Complaints decided by DSCs:

Consumer complaints to be decided by DSCs shall pertain to:

- Billing
- Metering
- Interruption/failure of power supply
- Voltage variations
- Load shedding/scheduled outages
- Disconnection/Reconnection
- Any other matter concerning supply of electricity

- (b) When unanimity is not reached while disposing of the disputed case by the above Dispute Settlement Committee, the majority decision will be applicable. However, the minutes to be recorded shall be self speaking and views of dissenting Member(s) should be indicated alongwith the operating part of the decision specifically. Copy of decision in each shall be sent by chairperson of DSC concerned to CE / Commercial without exception

The order will be passed by the Committee within a reasonable time not exceeding 60 days and conveyed to the concerned officer with instructions to issue the revised bill/advice within 15 days from the date of the order.

- (c) The consumer shall be required to deposit 20% of the total disputed amount before submission of complaint and copy of the receipt shall be attached with the complaint.

Answer to question No. 4.

(i) **Refund of Initial Security on withdrawal of application for temporary connections**

In case an application for temporary connection is withdrawn, the following procedure will be adopted for refund of initial security :-

- (a) if the application is withdrawn before the due date by which supply of electricity is required, 10% of the initial security will be deducted and the balance amount refunded to the applicant.
- (b) in case the Licensee fails to provide the temporary connection by the due date and the application is withdrawn, the initial security will be refunded in full to the applicant.

(ii) **Overhauling of consumer accounts**

Meter found to be beyond the limits of accuracy

If a meter on testing is found to be beyond the limits of accuracy as prescribed in the Regulations notified by the Central Electricity Authority under Section 55 of the Act, the electricity charges for all categories of consumers will be computed in accordance with the said test results for a period of six months immediately preceding, the :

- (a) date of test in case the meter has been tested at site to the satisfaction of the consumer ; or
- (b) date the defective meter is removed for testing in the laboratory of the Licensee where such testing is undertaken at the instance of the Licensee ; or
- (c) date of receipt of request from the consumer for testing a meter in the laboratory of the Licensee.

Any evidence provided by the consumer about conditions of working and/or occupancy of the concerned premises during the said period(s) which might have a bearing on computation of electricity consumption will, however, be taken into consideration by the Licensee.

Burnt meter

The accounts of a consumer will be overhauled for the period a burnt meter remained at site and for the period of direct supply, on

the basis of energy consumption of the corresponding period of the previous year after calibrating for the changes in load, if any. In case the average consumption for the corresponding period of the previous year is not available then the consumer will be tentatively billed for the consumption to be assessed in the manner indicated in para-4 of Annexure-8 of Supply Code and subsequently adjusted on the basis of actual consumption in the corresponding period of the succeeding year.

Stolen meters

In case of stolen meters the accounts of a consumer will be overhauled for the period of direct supply as per procedure applicable for a burnt meter.

If a consumer is liable to pay an additional amount or entitled to a refund in consequence of an overhaul of his account in accordance with para (i), (ii) and (iii) above, the Licensee will effect recovery or adjust the excess amount in the electricity bills of the immediately succeeding months.

(iii) **Where a meter installed at a consumer's premises is reported to have been stolen**

In case where a meter installed at a consumer's premises is reported to have been stolen and an FIR to this effect is lodged by the consumer, supply of electricity will be immediately restored by the Licensee on consumer's request by installing another tested meter or by resorting to direct supply in case a meter is not available. In all such cases, the cost of the meter will be recovered from the consumer through electricity bills of the immediately succeeding months.

(iv) **Change of name before actual release of AP connection:**

Whenever an applicant dies before the release of connection to him, the connection may be released to his/her legal heir/heirs as per succession certificate. In case of genuine difficulty of the prospective consumer, the connection may be released as per 'WILL' of the deceased provided the PSPCL is fully indemnified against all subsequent litigation.

In the event of sale of land to a new person, the tube well connection can be released to him against the original application of the original owner subject to fulfillment of following conditions:-

- a) Submission of no objection certificate on non-judicial stamp paper of Rs.15/- by the original applicant to the effect that he has no objection if the tube well connection is released to the new owner of the land to whom the land has been sold by him and initial security, or any other deposit made by him in his name is transferred in the name of the new owner of the land.
- b) Submission of documentary proof from the revenue authorities (Tehsildar /Patwari) for sale of land by the original applicant to the new owner of the land to whom the land has been sold.
- c) Submission of new A&A form duly signed by the new owner of the land & witnessed by the original applicant.
- d) The seniority in case of new applicant shall be reckoned from the date of original application.

The time schedule for change of name / title as mentioned in Regulation No. 11 of the Supply Code shall be kept in view.

Answer to question No. 5.

(a) Assessment of Electricity charges in the case of Unauthorized use of Electricity under Section 126 of the Act.

Where it is concluded that unauthorized use of Electricity has taken place, the assessment shall be made for the entire period during which such unauthorized use has been continuing. If, however, in a case where the period of unauthorized use can not be ascertained, such period shall be limited to a period of twelve months immediately preceding the date of inspection.

i) The consumption of Electricity in such case will be computed on the basis of the meter reading.

ii) If, the consumption of Electricity can not be computed on the basis of meter reading, then the same will be computed on the basis of the LDHF formula as detailed below:-

The consumer will, on the basis of consumption of Electricity computed as above, be liable to pay electricity charges at a rate equal to twice the tariff applicable for the relevant category in which the service should have been classified.

Electricity Charges in all cases of unauthorized use of Electricity will continue to be levied as in sub-para above till the cause of unauthorized use of Electricity is rectified.

LDHF formula for assessment of Electricity consumption.

Units assessed= $L \times D \times H \times F$, where:

L is the load found connected during the course of inspection in KW.

D is number of working days per month, during which unauthorized use/theft is suspected.

H is use of Supply Hours per day.

F is Demand Factor.

(b) SCC payable by following applicants

i)	MS	Rs 900 per KW + Rs 350 per Metre as variable charges with the length of the service line up to two hundred fifty metres
ii)	NRS above 7 KW & up to 100 KW Load	Rs900 per KW + Rs 350 per Metre as variable charges with the length of the service line up to one hundred fifty metres

(c)

The person filing the representation to the Ombudeman shall make a deposit of 50% (Fifty per cent) of the amount assessed by the Forum (inclusive of amount already deposited on this account), with the PSPCL, in cash or through demand draft payable at the headquarters of the concerned sub-division and submits documentary evidence of such deposits with the representation.

Powers and duties of Ombudsman:

The Ombudsman shall consider the representation of the consumers consistent with the provisions of the Act, Rules & Regulations made there under or general orders or directions given by the Government or the Commission in this regard before settling their grievances. He shall have the following powers/duties:-

- i. - to receive the representations from complainants aggrieved by any order of the Forum;
- to exercise all the powers as are available to a Forum under these Regulations ; and
- such other powers as may be entrusted by the Commission from time to time.
- ii. To issue such orders, instructions or directions to the Forum for the performance of its functions, as deemed fit after hearing the Forum or any other interested party, if any.

(d) The MINOR is not eligible to sign the agreement. However, he can avail the connection through his lawful/natural guardian.

(e) No installments for Current Bills/ assessment: The concerned (DS) officers are not competent to grant stay or to allow installments against payment of the current energy bills/assessment.

(f)

i) The Govt. of Punjab has authorized the following officers of PSPCL to recover/ collect the above said compounding charges from the consumer/person for compounding the offence of theft of electricity:-

i)	All domestic, Bulk Supply Agriculture and Commercial connections (LT & HT)	=	SE/Distribution of the respective areas.
	All Industrial SP Connections	=	SE/Distribution of the respective areas
ii)	All LS & MS industrial connections	=	CE/Distribution of the respective areas.

- ii) The Govt. of Punjab vide notification No. 1/27/05-EB (PR)/204 dated 22.3.06 has notified the following rates of compounding charges in case of theft of energy under section 152 of EA-2003:-

Industrial Services (SP & MS)	=	Rs.10,000/- per KW or part thereof of sanctioned load.
LS (Gen. & Power Intensive)	=	Rs.10,000/- per KW or part thereof of sanctioned load. or Rs.10,000/- per KVA of Contract Demand whichever is higher.
Commercial/NRS	=	Rs.5,000/- per KW or part thereof of sanctioned load.
Agriculture	=	Rs.2,000/- per BHP or part thereof of sanctioned load.
Other Services (Domestic & Bulk Supply)	=	Rs.3,000/- per KW or part thereof of sanctioned load.

- (g) Compounding of an offence of theft of electricity shall be allowed only once to any consumer/person.

Q. No. 1 a)

Lay-off (Sec.2 (kkk)). 'Lay-off means the failure, refusal or inability of an employer to give employment to a workman (a) whose name is borne on the muster-rolls of his industrial establishment and (b) who has not been retrenched.

Lock-out (Sec.2 (l)) It means the temporary closing of a place of employment, or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him.

Difference

Difference between lock-out and lay-off

- (1) Under lock-out the employer refuses to give employment because of closing of a place of employment because of closing of a place of employment or suspension of work. Under lay-off the employer refuses to give employment because of shortage of coal, power or raw materials or the accumulation of stocks or the breakdown of machinery or natural calamity or for any other reason to give employment.
- (2) Lock-out is resorted to by the employer to coerce or pressurise the workmen to accept his demands; lay-off is for trade reasons beyond the control of the employer.
- (3) Lock-out is due to an industrial dispute and continues during the period of dispute; lay-off is not concerned with a dispute with the workmen.

Q. NO. 1 b)

Illegal strikes and lock-outs (Sec.24)

A strike or a lock-out shall be illegal if-

- (1) It is commenced or declared in contravention of Sec. 22 or Sec. 23; or
- (2) It is continued in contravention of an order made under Sec. 10(3) or Sec. 10A (4-A).

Where a strike or a lock-out in pursuance of an industrial dispute has already commenced and is in existence at the time of the reference of the dispute to a Board of Conciliation, a Labour Court, Industrial Tribunal or National Tribunal, the continuance of such strike or lock-out shall not be deemed to be illegal provided such strike or lock-out shall not be deemed to be illegal provided such strike or lock-out was not at its commencement in contravention of the provisions of this Act or the continuance thereof was not prohibited under Sec. 10(3) or Sec. 10-A(4-A) {Sec.24(2)}.

A lock-out declared in consequence of an illegal strike or a strike declared in consequence of an illegal lock-out shall not be deemed to be illegal {Sec.24(3)}.

Penalties regarding strikes and lock-outs

- (1) Penalty for illegal strikes (Sec.26 (1)). Any workman who commence, continues or otherwise acts in furtherance of a strike which is illegal, shall be punishable with imprisonment for a term which may extend to 1 month, or with fine which may extend to Rs.50 or with both.
- (2) Penalty for illegal lock-out (Sec.26 (2)). Any employer who commence, continues or otherwise acts in furtherance of a lock-out which is illegal, shall be punishable with imprisonment for a term which may extend to 6 months, or with fine which may extend to Rs. 1,000 or with both.
- (3) Penalty for instigation, etc. (Sec.27). Any person who instigates or incites others to take part in, or otherwise acts in furtherance of, a strike or lock-out which is illegal, shall be punishable with imprisonment for a term which may extend to 6 months, or with fine which may extend to Rs.1,000 or with both.
- (4) Penalty for giving financial aid for illegal strikes and lock-outs. (Sec.28). Any person who knowingly expends or applies any money in direct furtherance or support of any illegal strike or lock-out shall be punishable with an imprisonment for a term which may extend 6 months or with fine which may extend to Rs.1,000, or with both.

Q. No. 2**Total Disablement (Sec. 2 (1) (i))**

It means such disablement, whether a temporary or permanent in nature, which incapacitates a workman for all work which he was capable of performing at the time of the accident resulting in such disablement. It refers to that condition where a workman becomes unfit for every type of work and is not able to get job anywhere due to that disablement.

Partial disablement {Sec.2 (1) (g)} This means any disablement reduces the earning capacity of a workman as a result of some accident, Partial disablement may be temporary or permanent.

Dependant {Sec.2 (1) (d) }, (d)}. In ordinary usage dependant, refers to a person who depends upon another for his livelihood. According to Sec. 2(1) (d) there are 3 categories of 'dependants':

Category 1: The following relations are dependants, whether actually so or not - A widow, a minor (a person below 18 years) legitimate or adopted son, an unmarried legitimate or adopted daughter, or a widowed mother.

Category 2: The following relations are dependants, if they are wholly dependent on the earnings of the workman at the time of his death - a son or a daughter who has attained the age of 18 years and who is infirm.

Category 3: The following relations are dependants, if they were wholly dependent or in part dependent on the earnings of the workman at the time of his death (a) a widower (b) a parent other than a widowed mother, (c) a minor illegitimate son or illegitimate unmarried daughter or adopted if married and a minor or if widowed and a minor, (d) a minor brother or an unmarried sister or a widowed sister if a minor, (e) a widowed daughter-in-law. (f) a minor child of a pre-deceased son (g) a minor child of a pre-deceased daughter where no parent of the child is alive, or (h) a paternal grandparent if no parent of the workman is alive.

For the purpose of category (2) and classes (f) and (g) of Category (3) references to a son, daughter or child include an adopted son, daughter or child respectively.

Employer {Sec. 2(1) (e)} 'Employer' includes-

- (i) any body of persons whether incorporated or not;
- (ii) any managing agent of an employer; and
- (iii) the legal representative of a deceased employer.

When the services of a workman are temporarily lent or let on hire to another person by the person with whom the workman has entered into a contract of service or apprenticeship, 'employer' means such other person while the workman is working for him.

The employer also include contractor.

Q. No. 3 a)

Industrial plant' means any plant used for any industrial or trade purposes and emitting any air pollutant into the atmosphere.

Occupier: In relation to any factory or premises, means the person who has control over the affairs of the factory or the premises, and includes, in relation to any substance, the person in possession of the substance.

Q. No. 3b)

Power of various officers with respect to Standing Orders is as under:

Leave with wages

Sub Divisional Officer	Upto 7 days in one spell
Executive Engineer	Full Powers

Special Leave

Executive Engineer	Full Powers
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Leave without wages

Sub Divisional Officer	Upto 6 days in one spell
Executive Engineer	Full Powers

For Serious illness to workman or death/ serious illness of close relative i.e. father, mother, wife, brother, sister etc.

Executive Engineer	Full Powers
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For Treatment of specified diseases

Superintending Engineer	Full Powers
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For donation of blood in PSEB Dispensaries/ Hospitals and for sterilisation operation

Executive Engineer	Full Powers
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Q. No. 3c

As per clause 16 (2) read with Clause 17 of the Standing Orders Executive Engineer can award a punishment to a workman for a cut in his wages upto 23% in a month if he is found sleeping during duty hours.

Hence, the fine imposed by the SDO for a cut of 25% in wages is not in order. However, it should be got approved from or imposed by the Executive Engineer upto 23%.

Q. No. 4a)

Powers of Inspector (Sec.9): An Inspector may, within the local limits for which he is appointed:-

- (a) enter, with assistants who are in the service of the Government or any local or other public authority or with an expert, the premises of a factory.
- (b) make examination of the premises, plant, machinery, article or substance:
- (c) Inquire into any accident or dangerous occurrence, whether resulting in bodily injury, disability or not, and take on the spot or otherwise statements of any person which he may consider necessary for such inquiry;
- (d) require the production of any prescribed register or any other document relating to the factory.
- (e) Seize, or take copies of, any register, or other document or any portion thereof, as he may consider necessary in respect of any offence under this Act, which he has reason to believe has been committed;
- (f) Direct the occupier that any premises or any part thereof, or anything lying therein, shall be left undisturbed (whether generally or in particular respects) for so long as is necessary for the purpose of any examination under Clause (b);
- (g) Take measurements and photographs and make such recordings as he considers necessary for the purpose of any examination under Clause (b) taking with him any necessary instrument or equipment;
- (h) In case of any article or substance found in any premises, being an article or substance which appears to him as having caused or is likely to cause danger to the health or safety of the workers, direct it to be dismantled or subject it to any process of test (but not so as to damage or destroy it unless the same is necessary for carrying out the purposes of this Act). Further, he may take possession of any such article or substance or a part thereof, and detain it for so long as is necessary for such examination;
- (i) exercise such other powers as may be prescribed.

The above powers of an Inspector are subject to any rules which may be made by the State Government in this behalf.

Additional powers An Inspector has also the power-

- (a) to require medical examination of a 'young person' working in a factory (Sec.75), and also
- (b) to take sample of any substance used, or intended to be used, in a factory for the purpose of finding out if the substance is injurious to the health of the workers (Sec.91).

Q. No. 4 b)

Duties of certifying surgeons: The certifying surgeon shall carry out such duties as may be prescribed in connection with—

- (a) the examination and certification of young persons;
- (b) the examination of persons engaged in factories in dangerous occupations or processes;
- (c) the exercising of such medical supervision as may be prescribed for any factory where
 - (i) cases of illness have occurred which it is reasonable to believe are due to the nature of the manufacturing process carried on, or other conditions of work prevailing therein;
 - (ii) by reason of any change in the manufacturing process carried on is in the substance used therein, there is a likelihood of injury to the health of workers employed in that manufacturing process;
 - (iii) young persons are, or are about to be, employed in any work which is likely to cause injury to their health.

Q. No. 5**Rules regarding contribution**

1. The contribution at such rates as may be prescribed by the Central Government is payable under the Act in respect of an employee shall comprise employer's contribution and employee's contribution.
2. The wage period in relating to an employee shall be the unit in respect of which all contributions shall be payable under the Act.
3. The contributions payable in respect of each wage period shall ordinarily fall due on the last day of the wage period. Where an employee is employed for part of a wage period or is employed under 2 or more employers during the same wage period, the contributions shall fall due on the day as may be specified in the regulations.
4. If any contribution payable under this Act is not paid by the principal employer on the date on which such contribution has become due, he shall be liable to pay simple interest at the rate of 12 per cent per annum or at such higher rate as may be specified in the regulations till the date of its actual payment.
5. Principal employer to pay contribution in the first instance for both his contribution and employee's contribution. The Act enjoins upon the principal employer to pay in respect of every employee whether directly employed by him or through an immediate employer, both the employer's contribution and the employee's contribution.
6. Principal employer can deduct employee's contribution from his wages. Principal employer shall be entitled to recover from the employee the employee's contribution by deduction from his wages and not otherwise. But no such deduction shall be made from any wages other than such as relate to the period in respect of which the contribution for the period.
7. Employer's contribution not to be deducted from employee's wages. Notwithstanding any contract to the contrary, the principal employer or the immediate employer shall not be entitled to deduct the employers' contribution from any wages payable to an employee or otherwise to recover it from him.
8. Any sum deducted by the principal employer from wages under the Act shall be deemed to have been entrusted to him by the employee for the purpose of paying the contribution in respect of which it was deducted.
9. The principal employer shall bear the expenses of remitting the contributions to the E.S.I. Corporation.
10. A principal employer, who has paid contribution in respect of an employee employed by or through an immediate employer, shall be entitled to recover the whole of the contribution so paid from the immediate employer. He may recover the amount either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.
11. The immediate employer shall maintain a register of employees employed by or through him as provided in the regulations and submit the same to the principal employer before the settlement of any amount payable.
12. Employees whose average daily wages are less than such wages as may be prescribed by the Central Government are not required to make any contribution but they are entitled to all the benefits accruing under the Act. The average daily wages of an employee shall be calculated in such manner as may be prescribed by the Central Government.
13. Method of payment of contribution (Sec.43). Subject to the provisions of the Act, the E.S.I. Corporation may make regulation for--
 - a) any matter relating or incidental to the payment and collection of contributions payable under the Act:-
 - b) the manner and time of payment of contributions:
 - c) the payment of contributions by means of adhesive or other stamps affixed to or impressed upon books, cards or otherwise and regulating the manner, time and conditions in at and under which, such stamps are to be affixed or impressed.

d) the date by which evidence of contributions having been paid is to be received by the ESI Corporation;

e) the entry in or upon books or cards of particulars of contributions paid and benefits distributed in the case of the insured persons to whom such books or cards relate; and

f) the issue, sale, custody, production, inspection and delivery of books or cards and the replacement of books or cards which have been lost, destroyed or defaced.

- 14 Every principal and immediate employer shall submit to the ESI Corporation or to such officer of the ESI Corporation as it may direct such returns in such form and containing such particulars relating to persons employed by him as may be specified in regulations made in this behalf. He shall also maintain such register or records in respect of his factory or establishment as may be required by regulations made in this behalf.
- 15 The normal method for determination of contribution is laid down in Sec. 39(2). Sec. 45-A provides for an exception and lays down an extraordinary procedure for the determination of contribution on the basis of material that may be available with the ESI Corporation in the absence of any returns, particulars registers or records. -
- 16 The determination of the amount of contribution payable in respect of the employees, of a Factory or establishment can be made on an adhoc basis under Sec. 45-A of the act only if:
 - 1) no returns, particulars, registers or records are submitted, furnished or maintained in accordance with the provisions of Sec.44 or
 - 2) any Inspector or other official of the ESI Corporation is prevented in any manner by the principal or immediate employer or any other person.
 - 3) If these two conditions are satisfied, the ESI Corporation may, on the basis of information available to it, by order, determine the amount of contributions payable in respect of the employee of the factory or establishment. No such order shall however be passed by the ESI Corporation unless the principal or immediate employer or the person in charge of the factory or establishment has been given a reasonable opportunity of being heard.
- 17 Any contribution payable under the Act may be recovered as an arrear of land revenue (Sec.-45B).