

Paper-I (SAS I)-Model solution
(Works and Stores Accounts)

Model Solution

Ans of Q. No .1 (a):

As per CEFA 26.3 & 28.2 100% depreciation is chargeable on cost of spares at generating stations and depreciation on lease hold assets.

Ans of Q. No .1 (b):

The Gain on sale of asset is accounted for as under: -

	DR	CR
Gain up to original cost of assets	Cash/Bank	GH 62.4
Gain in excess of original cost of assets		GH 56.2 (Capital Reserve)

Ans of Q. No .1 (c):

As per Manual on Capital Expenditure & Fixed Assets. Chapter-IV-Cash Transactions & their Records, there is an exception to Para 4.3(b) i.e., the Board may authorize Divisional officers not to pass through the Cash Book earnest money received from and returned to contractors on the same day the tenders are opened, provided that the contractors concerned are required to give a stamped receipt for the money in the Register of Tenders maintained in the Divisional office and that the Register is to that extent treated as a subsidiary cash book and consequently as an accounts form.

Ans of Q. No .1 (d):

As per chapter XXIX of CFFA sub regulation X of 29.3 An asset once put to use even if under utilised shall be capitalized for its full cost.

(5+5+5+5 Marks)

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Ans of Q. No .2 (a): -

1. Purchase of fixed assets - Investing Activities
2. Income tax paid- Operating Activities
3. Buy back of shares- Financing Activities
4. Dividend paid- Financing Activities
5. Marketable securities- Investing Activities/Cash equivalents.

Ans of Q. No .2 (b):

As per reg. 15.8 of chapter XV of CEFA material at site of all the works which were in progress on the last day of financial year shall be verified physically with paper Balance as per register and submitted to Divisional office. It is however not necessary that the Balance should be verified at the close of year if,

- I. The work has been under construction for not more than 3 months.
- II. The account of works is expected to be closed within 3 months or
- III. The balances were verified at any time during year.

Ans of Q. No .2 (c):

Action of Sr Xen/Suburban Division Patiala is not in order. The IUT Bill is to be verified/accepted for full amount and not in part. IUT Bill should have been returned to Sr.Xen/Op Division, Rajpura for withdrawal and raising a fresh IUT Bill for Rs 74,000

(10+5+5 Marks)

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Ans of Q. No .3(a):

As per para 24, AS 2, materials and other supplies held for use in the production of inventories are not written-down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when there has been a decline in the price of materials and it is estimated that the cost of finished products will exceed net realisable value, the materials are written down to net realisable value.

In this case, cost of raw material was Rs 100 per Kg. But the finished goods (which are produced from the said raw materials) are expected to realise at below the Cost Price. So, the value of 10,000 kg of raw materials will be @ Rs 80 per kg (i.e., on the basis of replacement cost) Rs 800000.

Ans of Q. No .3(b):

AS-2 Net Realisable Value means the estimated selling price in ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. Net realisable value is estimated on the basis of most realisable evidence at the time of valuation. Estimation of net realisable value also takes into account the purpose for which the inventory is held.

Estimation of net realisable Value :-The net realizable value of the material and other supplies held for use in production of finished goods is estimated as under: -

1. If finished product in which raw material and supplies are used is sold at cost or above cost then the estimated realisable value of raw material and supplies is considered more than its cost
2. If finished product in which raw material and supplies are used is sold below cost then the estimated realizable value of raw material or supplies is equal to replacement price of raw material or supplies.

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Ans of

Ans of Q. No .3(c):

(1) Provision for loss on obsolescence

Provision shall be made for loss, if any, expected to arise from the obsolescence, determined by the Board, of any of its capital assets whether in service or removed from service. Similar provision shall be made for loss from obsolescence of capital spares. The provision shall be utilised to meet the loss arising on disposal/scraping of those assets.

(2) Exchange of Assets

Where an asset is exchanged for another asset, the asset surrendered shall be deemed to have been disposed of at its fair market value. Gain or loss based on the fair market value shall be accounted for in the normal course. The cost of the asset acquired in exchange shall be deemed to be the fair market value of the asset surrendered plus any additional consideration given or minus any additional consideration received.

(5+5+10 Marks)

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Ans of Q. No .4(a):

As per AS 7, 'Construction Contract', when it is probable that total contract costs will exceed total revenue, the expected loss should be immediately recognized as an expense. The amount of a loss is determined irrespective of (a) Whether or not work has commenced on the contract, (b) the stage of completion of contract activity as per AS 7, (c) the amount of profit expected to arise on other contracts which are not treated as a single contract.

In this case the anticipated losses are calculated as follows:

Anticipated or Foreseeable Loss

Particulars	' in lakhs
Cost incurred	64.99
Add: Additional cost for computation	32.01
	97.00
Less: Contract Price	85.00
Anticipated / Foreseeable loss	<u>12.00</u>

Thus, as per AS 7, the whole amount of anticipated loss should be recognized and to be adjusted accordingly against the profit of the current year.

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Ans of Q. No .4(b):

As per para 5, AS 2 Valuation of Inventories, inventories should be valued at the lower of cost or net realisable value on an item-by-item basis, which are:

TVs	Onida	Philips	Total
Cost Price (including expenses)	13,000	22,000	35000
Net Realisable Value	18,000	30,000	48000
Value of Stock	13,000	22,000	35000

The value of Stock to be included in the Balance Sheet will be 35000

(10+10 Marks)

Ans of Q. No .5(a):

As per AS 9, dividends from investment in shares are not recognized in the statement of Profit and Loss until a right to receive payment is established.

In the present case the dividend was proposed on 10th April, 2013, but the scheme was declared on 15th July, 2013. Thus, it is quite clear that right to receive payment is established on 15th July, 2013. So, income from dividend on units of mutual fund must be recognized by X Ltd. for the year ended 31st March, 2014. It may be mentioned here that the recognition of ` 10 lakhs under accrual basis in the year 2012-13 is not as per AS -9.

Ans of Q. No .5(b):

Calculation of contract revenue

Particulars	I	II	III
Initial contract value	2000	2000	2000
Increase in revenue due to escalation	—	400	400
Claims	—	—	200
Incentive	—	—	300
Penalties	—	(100)	(100)
Contract revenue	2000	2300	2800

(10+10 Marks)

Model Solution: P-II

Sol.1 A In the given case, the billing is to be done as per regulation 21.5.2 of PSERC (Electricity Supply Code Related Matters) Regulations, 2014 :-
Sanctioned Load :- 6.5 KW
Bill Period :- 29.03.2021 to 24.07.2021

$$L = 6.5 * D = 118 * H = 20 * F = 40\%$$

= 6136 units.

So, energy charges shall be as under :-

Upto 100/30 * 118 = 393 units @ Rs. 6.91 i.e. Rs. 2716

Next 400/30 * 118 = 1573 units @ Rs. 7.17 i.e. Rs. 11278

Remaining 6136 - 393 - 1573 = 4170 units @ Rs. 7.29 i.e. Rs. 30399 .

Total = Rs. 44393

Fixed charges = $6.5 * 0.8 * 45 * 118 * 12/365$ = Rs. 908.

Total SOP = Rs. 45301

Add :- ED/IDF/MT = Rs. 9060 (@ 20%)

Total bill amount = Rs. 54361.

Sol.1 B In the given case, the billing is to be done as per regulation 21.5.2 of PSERC (Electricity Supply Code Related Matters) Regulations, 2014 :-

(i) As the date of connection is to be assumed as 22.03.2021. So, the energy consumption of 23.12.2020 to 17.02.2021 is not available. Hence, the average monthly consumption of previous 6 months is to be taken. The total consumption from 21.6.21 to 23.12.21 is 1892 units for 185 days. No. of days from 23.12.21 to 17.2.22 are 56 days. So, units consumed will be taken as $1892/185 * 56 = 573$ units.

(ii) In this case, the energy consumption of 23.12.20 to 17.2.21 is available so the units consumed from 23.12.21 to 17.2.22 will be taken as $18208 - 16574 = 1634$ units.

(iii) In this case, the consumption from 20.9.21 to 23.12.21 is 3459 units for 94 days. No. of days from 23.12.21 to 17.2.22 are 56 days. So, units consumed will be taken as $3459/94 * 56 = 2061$ units.

Sol .2

In this case, the billing will be done as per CC no. 07/2022 dated 05.04.2022.

Month 1 (Apr):-

Energy charges will be as under:-

2786 units @ Rs. 4.86 = Rs. 13540

3854 units @ Rs. 5.37 = Rs. 20696

Total Energy charges = Rs. 34236

Fixed charges = $15 * 40 * 12/365 * 30$ = Rs. 592

Month 2 (May):-

In this case, the units consumed from 10 am to 10 pm are 598 which are above 10% of the consumption during 10 pm to 6 am i.e. 3567 units. So, the energy charges will be as under :-

4621 units @ Rs. 5.37 = Rs. 24815

Fixed charges = $16 * 0.8 * 80 * 12/365 * 31$ = Rs. 1044

Month 3 (June):-

Energy charges will be as under:-

4326 units @ Rs. 4.86 = Rs. 21024

484 units @ Rs. 5.37 = Rs. 2599

Total Energy charges = Rs. 23623

Fixed charges = $14 * 40 * 12/365 * 30$ = Rs. 552

TOD surcharge = 230 units @ Rs. 2 = Rs. 460

3A

Category of consumers	Appellate Authority	
	Authority	Distribution Zone of PSPCL
For appeals by all consumers having Contract Demand above 1 MVA	Director/Technical, PSTCL	All Zones
For appeals by all consumers having Contract Demand above 500 KVA upto 1 MVA	CE/TS, PSTCL	South
	CE/P&M, PSTCL	Central
	CE/HR, IT and S&D, PSTCL	Border and North
	CE/SLDC, PSTCL	West
For appeals by all consumers having Contract Demand above 100 KVA upto 500 KVA	SE/P&M, PSTCL, Patiala	South
	SE/P&M, PSTCL, Ludhiana	Central
	SE/P&M, PSTCL, Jalandhar	North
	SE/P&M, PSTCL, Amritsar	Border
	SE/P&M, PSTCL, Bathinda	West
For appeals by all consumers having Contract Demand/ Sanctioned Load upto 100 kVA or 100 kW as applicable	Sr. XEN/P&M, PSTCL, Patiala	South
	Sr. XEN/P&M, PSTCL, Lalton Kalan	Central
	Sr. XEN/P&M, PSTCL, Jamsheer	North
	Sr. XEN/P&M, PSTCL, Bathinda	West
	Sr. XEN/P&M, PSTCL, Civil Line Amritsar	Border

Sol. 3B

The Bulk supply tariff shall apply to the following:

- General or mixed loads exceeding 10 kW/kVA to MES, Defence Establishments, Railways, Central PWD institutions, Irrigation Head works, Jails, Police/Para Military Establishments/Colonies and Govt. Hospitals/Medical Colleges/Govt. Educational Institutions having mixed load subject to a minimum of 25% domestic load and motive/Industrial load not exceeding 50%, where further distribution will be undertaken by the consumer.
- General or mixed loads exceeding 10 kW/kVA to all private educational institutes/universities/ colleges/ hospitals etc. having mixed load subject to a minimum of 25% domestic load and motive/Industrial load not exceeding 50%, for their own use and to run the affairs connected with the functions of such educational institutes/ universities/ colleges/ hospitals etc. provided the entire LD system has been laid at the cost of the consumer.
- However, institutions/Installations having DS load less than 25% will be covered under relevant NRS Schedule of Tariff. Where motive/Industrial load of any installation exceeds 50% of the total load, such an installation will be charged applicable industrial tariff.

Sol.4 A As per Tariff order 2022-23, the tariff applicable to the given consumer will be Fixed charges Rs. 60/KVA and energy charges Rs. 5.22/KVAh

Sol.4 B. As per proviso to regulation no. 36.1.3 of PSERC (Electricity Supply Code Related Matters) Regulations, 2014 :-

Provided that unauthorised increase in load/demand shall not be treated as Unauthorised Use of Electricity and shall be dealt with as per relevant Schedule of Tariff.

Provided further that in case the increase in load/demand results in change in tariff category, the consumer shall be served with a written notice to either remove the additional load/restrict the demand or to submit application complete in all respect within 15 days from the date of issue of notice to get the excess load/demand regularised from the distribution licensee. On any subsequent default within a period of six months, if the load/demand exceeds the sanctioned load/demand by 10% and also results in change in tariff category, then such consumer shall be liable to be booked under UUE.

Provided also that in case of change of tariff category due to any order of the Commission or amendment in Regulations or the Act, the distribution licensee shall issue a written notice to the consumer within a month of the issue of such order/change in law, to get his tariff category changed within two months of the issue of notice by the distribution licensee and during this period, it shall not be treated as Unauthorised Use of Electricity.

Provided also that any consumer paying electricity charges for higher tariff for permanent category but found using it for lower permanent tariff category (except for Agricultural use), such case shall not be considered as unauthorized use of electricity. However, the consumer shall be directed through written notice to get the supply regularized as permitted under law after following the laid down procedure within a period of 45 days.

Tariff category for this regulation means category having different schedule as specified in Schedule of Tariff annexed to the Tariff Order for the relevant year approved by the Commission. Further, the fixed plus energy charges shall be the criteria to determine which tariff category is having higher tariff.

Sol. 4C

1. **Supervision Charges:** Supervision Charges @ 15% of the wages of labour are leviable in the estimate prepared for shifting of PSPCL lines where the cost of the estimate is chargeable from the individual or agency of State/Central Govt., on the request of whom the work is proposed to be carried out. The estimate would

include the cost of additional material used for carrying out alteration after giving due credit for the depreciated cost of material available from the existing line, wages of labour employed in effecting the alteration. Cost of additional material

will mean issue price increased by 4% to account for incidental expenditure incurred by MM Organization in making available the Store Material, which would reflect the actual cost of material thus used. In addition provision shall be made for contingencies, storage charges, transportation, Audit and Accounts and T&P

charges as per rates applicable from time to time.

2. **Departmental Charges:** Departmental charges @ 27½% of the total cost of estimate i.e. cost of material and labour etc., are recoverable in case of deposit works executed on behalf of the consumer which include the following elements:

Estt. Charges 25%

T&P 1½%

A/Cs charges 1%

The cost of estimate will also include storage charges, transportation charges & contingencies as per rates applicable from time to time. These deposit works are carried out by PSPCL on behalf of the consumer at their specific requests and such works are to be maintained by the concerned consumer and remain their property. Normally these works such as erection and commissioning of Sub Stations are to be carried out by the consumers but in view of non-availability of requisite infrastructure with them, they sometimes request the PSPCL for carrying out these works.

3. **Establishment Charges:** Establishment charges @ 16% of the cost of estimate i.e. cost of material and labour etc., are recoverable from the consumer when the works are carried out by PSPCL at the cost of consumer and thereafter remain the property of the PSPCL for being operated/maintained by PSPCL. The cost of estimate will also include storage charges, transportation charges & contingencies as per rates applicable from time to time. Establishment charges are leviable on the works such as:-

a) Laying of independent feeders for giving supply to new/existing consumers.

b) Where the consumers are required to pay actual cost of works as per Reg- 9 of the Supply Code-2014.

c) The works where the consumers opt for connection from Urban / industrial feeder instead of nearest UPS feeder.

d) Where the cost of link-line is to be borne by the consumer. The above works are quite different from departmental works or works required for shifting of lines etc. Estt. Charges will be leviable on the total estimated cost, which will include cost of material, labour charges, storage charges, transportation charges & contingencies etc

Sol.5 A The consumption given is of paddy season so the total entitlement of the consumer for one billing cycle is $180 \times 5 \times 2 = 1800$ units.

For billing cycle July-Aug, the consumption is 180 so the saved units = 1620 units.

Hence, the amount payable to consumer will be $1620 \times 4 = \text{Rs. } 6480$.

As per the PBPK scheme, the payments to AP consumers is to be done for every 2 months cycle. As the consumption of October month is not given so the payment of cycle Sep-Oct can't be calculated.

So, the total amount payable to consumer as per given data is Rs. 6480

Sol. 5 B (i) "Appropriate Government" means:

(a) the Central Government –

(i) in respect of a generating company wholly or partly owned by it;

(ii) in relation to any inter-State generation, transmission, trading or supply of electricity and with respect to any mines, oil-fields, railways, national highways, airports, telegraphs, broadcasting stations and any works of defence, dockyard, nuclear power installations;

(iii) in respect of National Load Despatch Centre and Regional Load Despatch Centre;

(iv) in relation to any works or electric installation belonging to it or under its control ;

(b) in any other case, the State Government, having jurisdiction under the Act

(ii) "Distribution System" means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers. It shall

also include electric line, substation and electrical plant that are primarily maintained for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, sub-station or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others.

(iii) "Temporary Connection" means an electricity connection required by a person for meeting with his temporary needs such as-

(i) for construction of residential, commercial and industrial complexes including pumps for dewatering;

(ii) for illumination during festivals/family functions;

(iii) for threshers or other such machinery excluding AP pump sets;

(iv) for touring cinemas / theatres / circuses / fairs / exhibitions/ melas/congregations.

Ans 1 (a)

(i) The successful Tenders shall be required to submit Security deposit for faithful execution of the purchase order/Contract of value exceeding Rs. 1,00,000/- at the rate of three percent (3%) of ordered value rounded off to a multiple of Rs. 10/- on the higher side. Tenders exempted from EMD up to Rs. 5.0 Lacs will have to submit security deposit for purchase orders valued above 1.0 Lacs.

(ii) Ordinarily the Earnest Money received against Tenders shall be converted into Security Deposit. If the amount of earnest money received against Tenders is more than the amount of Security Deposit required against the Purchase Order/Contract, the balance shall be refunded within one month of the finalization of the Tender enquiry and in case of shortfall, if any, the Contractor/Supplier shall be required to deposit the additional amount.

(iii) The Tenders having Permanent Earnest Money Deposit (PEMD) of Rs. 25 Lacs (Rs. Twenty-Five Lakhs) with PSPCL and hence exempted from depositing Earnest Money with Tenders, shall also be required to submit security Deposit @ 3% of ordered value in the form of bank Guarantee/Demand Draft/Cash within 30 days from the award of purchase order/contract.

(iv) The following shall be exempted from depositing security against purchase orders/contracts given to them: -

(a) Public Sector undertaking owned by Pb. Govt./Central Govt./other State Govt. supplying material directly through units owned by them subject to submission of documentary evidence of Government ownership. Exemption shall not be applicable if the Tender is submitted for supply of material through private unit/manufacturer.

(b) Suppliers of Proprietary items/firms supplying material under DSG&D Rate Contract.

Refund of Security: -

On faithful execution of Purchase Order/Contracts in all respects, including warranty period. If any, Security Deposit of the Contractor/Supplier Shall be released by the Contracting/Purchasing Agency. The refund shall be made within 30(Thirty) days from the issue of security release order by the concerned purchasing agency.

Forfeiture of Security: -

In the event of default on the part of the Contractor/Supplier in the faithful execution of Purchase Order/Contract his Security deposit shall be forfeited by an order of the Contracting/Purchasing Agency under intimation to O/o CE/IT who shall get the same uploaded & displayed on website of PSPCL.

In the case of Sr. Executive Engineers/Sub-Divisional Officers working in the field, the order for forfeiture of security deposit shall be issued by them provided they are Contracting/Purchasing Agency with an intimation to their Superintending Engineers/Dy. Chief Engineer/Dy. Chief Engineers who in turn shall intimate the same to O/o CE/IT who shall upload & display on website of PSPCL.

The forfeiture of Security of Security Deposit shall be without prejudice to any other rights arising or accruing to the Board under relevant provisions of the provisions of the purchase order/Contract like penalty etc. including suspension of business dealings with PSPCL for a specific period.

Ans 1 (b)

As per Purchase Regulation, 2017 the various purchase committees competent to accept tenders under normal rules to the extent to the extent of powers delegated to them by the Board from time to time are as under: -

(a) **Whole time directors (WTD):** The committee comprising of the chairman and other members of the board, appointed on full time basis with the company secretary as the convener,

(b) **Central purchased committee:**

(i) The committee comprising of CE/MM, FA-cum-CAO/ procurement and Chief Purchase Officer as the convenor for procurement of centrally purchased items-except meters & metering equipments & workshop items.

(ii) The committee comprising of CE/Metering FA-cum/CAO/ procurement and SE/Metering, Patiala as member/convenor for purchase of meters and metering equipment.

(iii) The committee comprising of CE/workshop, FA & CAO/procurement and SE/TRW circle, PSEB, Ludhiana, as member/convenor for purchase of workshop items.

(c) **Project Purchase committee (PPC):** The committee comprising of CE concerned Dy. CAO concerned and directors/SE concerned, where the concerned director/SE will be convenor.

(d) **Purchase committee (general):** The committee comprising of SE Personal and Dy. CAO to be nominated by member/finance and accounts and Dy Secretary in charge of P & S secretary with Dy. Secretary as the convenor.

Note: - The SMO shall be additional member of this committee in respect of medicines and hospital apparatus required for the companies dispensary.

(e) **Officers of the Company:** In accordance of the power delegated from time to time by the company.

DELEGATION OF POWER:

Competent Authority	Open Tenders	Limited Tenders	Single Tenders
Board	Full Powers	Full Powers	Full Powers
Whole Time Directors	Full Powers	Full Powers	Full Powers
Central Purchase Committee/Project Purchase Committee	Rs. 4 Cores	Rs. 2 Crores	Rs. 1 Crore
Purchase Committee (General)	Rs. 1 Core	Rs. 40 Lacs	Rs. 20 Lacs
Officers of Board	In accordance with powers delegated to them by Board from time to time.		

Ans 2 (a)

Functions of Regional Load Dispatch Centre

1. The Regional Load Dispatch Centre Shall be the apex body to ensure integrated operation of the power system in the concerned region.
2. The Regional Load Dispatch Centre shall comply with such principles, guidelines and methodologies in respect of the wheeling and optimum scheduling and dispatch of electricity as the Central Commission may specify in the Grid Code.
3. (a) The Regional Load Dispatch Centre shall be responsible for optimum scheduling and dispatch of electricity within the region in accordance with the contracts entered into with the licensees or the generating companies operating in the region.
(b) Monitor grid operation.
(c) Keep accounts of the quantity of electricity transmitted through the regional grid.
(d) exercise supervision and control over the Inter-State transmission system and
(e) be responsible for carrying out real time operations for grid control and dispatch of electricity within the region through secure and economic operation of the region grid in accordance with the Grid Standards and the Grid Code.
4. The Regional Load Dispatch Centre may levy and collect such fee and charges from the generating companies or licensees engaged in inter-state transmission of electricity as may be specified by the Central Commission.

Functions of State Load Dispatch Centre

1. The State Load Dispatch Centre shall be the apex body to ensure integrated operation of the power system in a State.
2. (a) The State Load Dispatch Centre shall be responsible for optimum scheduling and dispatch of electricity within a State in accordance with in the contracts entered into with the licensees or the generating companies operating in that State.
(b) Monitor grid operation.
(c) Keep accounts of the quantity of electricity transmitted through the regional grid.
(d) Exercise supervision and control over the Inter-State transmission system and
(e) be responsible for carrying out real time operations for grid control and dispatch of electricity within the region through secure and economic operation of the region grid in accordance with the Grid Standards and the Grid Code.
3. The State Load Dispatch Centre may levy and collect such fee and charges from the generating companies or licensees engaged in inter-state transmission of electricity as may be specified by the Central Commission.

Ans 2 (b)

DELAYED PAYEMENTS TO MICRO AND SMALL ENTERPRISES

Sec.15 Where any supplier supplies any goods or renders any services to any buyer, the buyer shall make payment therefore on or before the date agreed upon between him and the supplier in writing or, where there is no agreement in this behalf, before the appointed day.

Provided that in no case the period agreed upon between the supplier and the buyer in writing shall exceed forty-five days from the day of acceptance or the day of demand acceptance.

Sec.16 Where any buyer falls to make payment of the amount to the supplier as required under section 15, the buyer shall, notwithstanding anything contained in any agreement between the buyer and the supplier or in any law for the time being in force, be liable to pay compound interest with monthly rests to the supplier on that amount from the appointed day or as the case may be, from the date immediately following the date agreed upon, at three times of the bank rate notified by the Reserve Bank.

Sec.17 For any goods supplied or services rendered by the supplier, the buyer shall be liable to pay the amount with interest thereon as provided under section 16.

Sec.18 (1) Notwithstanding anything contained in any other law for the time being in force, any party to a dispute may, with regard to any amount due under section 17, make a reference to the Micro and small Enterprises Facilitation Council.

(2) On receipt of a reference under Sub-Section (1), the Council shall either itself conduct conciliation in the matter or seek the assistance of any institution or center providing alternate dispute resolution services by making a reference to such an institution or center, for conducting Act, 1996 shall apply to such a dispute as if the conciliation was initiated under Part III of the Act.

Ans 3 (a) Tariff Regulations:

The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following namely:-

- (a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;
- (b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;
- (c) the factors which would encourage competition, efficiency, economical use of the resource, good performance and optimum investments;
- (d) Safeguarding of consumers interest and at the same time, recovery of the cost of electricity in reasonable manner;
- (e) the principles rewarding efficiency in performance;
- (f) multiyear tariff principles;
- (g) that the tariff progressively reflects the cost of supply of electricity and also, reduce cross-subsidies in the manner specified by the Appropriate Commission;
- (h) the promotion of co-generation and generation of electricity from renewable sources of energy;
- (i) the National Electricity Policy and tariff policy: -

Provide that the terms and conditions for determination of tariff under the Electricity (Supply) Act, 1948, the Electricity Regulatory Commission Act, 1998 and the enactments specified in the Schedule as they stood immediately before the appointed date, shall continue to apply for a period of one year or until the terms and conditions for tariff are specified under this section, whichever is earlier.

Ans 3 (b) Functions and Duties of Central Electricity Authority: -

As per the provisions of Electricity Act 2003, The Authority shall perform such functions and duties as the Central Government may prescribe or direct, and in particular to: -

1. advise the Central Government on the matters relating to the national electricity policy, formulate short-term and perspective plans for development of the electricity system and co-ordinate the activities of the planning agencies for the optimal utilization of resources to sub serve the interests of the national economy and to provide reliable and affordable electricity for all consumers.
2. specify the technical standards for constructions of electrical plants, electric lines and connectivity to the grid.
3. specify the safety requirements for constructions operations and maintenance of electrical plants and electric lines.
4. specify the Grid Standards for operations and maintenance of transmissions lines.
5. specify the conditions for installation of meters for transmission and supply of electricity.

6. promote and assist in the timely completions of schemes and projects for improving and augmenting the electricity system.
7. promote measures for advancing the skill of persons engaged in the electricity industry.
8. advise the Central Government on any matter on which its advice is sought or make recommendation to that Government on any matter if, in the opinion of the Authority, the recommendation would help in improving the generation, transmission, trading, distribution and utilization of electricity.
9. collect and record the data concerning the generation, transmission, trading, distribution and utilization of electricity and carry out studies relating to cost efficiency, competitiveness and such like matters;
10. make public from time-to-time the information secured under the Act, and provide for the publication of reports and investigations;
11. promote research in matters affecting the generation, transmission, distribution and trading of electricity.
12. carry out, or cause to be carried out, any investigation for the purpose of generating or transmitting or distributing electricity.
13. advise any State Government, licensees or the generating companies on such matters which shall enable them to operate and maintain the electricity system under their ownership or control in an improved manner and where necessary, in co-ordination with any Government, licensee or the generating company owing or having the control of another electricity system.
14. advise the Appropriate Government and the Appropriate Commission on all technical matters relating to generation, transmission and distribution of electricity; and
15. Discharge such other functions as may be provided under this Act.

Ans 4 (a)

TAKING PART IN POLITICS AND ELECTIONS: -

As per section 6 of the Employee Conduct act: -

- 1) No Board employee shall be a member of or be otherwise associated with any political party or any organization which takes part in politics nor shall he take part in, subscribe in aid of, or assist in any other manner, any political movement or activity.
- 2) It shall be the duty of every Board employee to endeavor to prevent any member of his family from taking part in subscribing in aid of or assisting in any other manner any movement or activity which is, or tends directly or indirectly to be, subversive of the Board as by law established, and where a Board employee is unable to prevent member of his family from taking part in, or subscription in aid or assisting in any other manner, any such movement or activity, he shall make a report to that effect to the Board.
- 3) If any question arises whether a party is a political party or whether any organization takes part in politics or whether any movement or activity falls within the scope of Sub-Regulation (2), the decision of the Board thereon shall be final.
- 4) No Board employee shall canvass or otherwise canvass, interfere with, or use his influence in connection with or take part in an election to any legislature or local authority.

Provided that:

- (i) a Board employee qualified to vote as such election may exercise his right to vote, but where he does so, he shall give no indication of the manner in which he proposes to vote or has voted:
- (ii) a Board employee shall not be demand to have contravened the provisions of this Sub-Regulation by reason only then he assists in the conduct of any election in the due performance of duty imposed on him by or under any law for the time being in force.

DEMONSTRATIONS, STRIKES & INTIMIDATIONS: -

As per section 8 of the Employee Conduct act, No employee shall: -

- 1) engage himself or participate in any demonstration which is prejudicial to the interest of the sovereignty and integrity of India, the security of the State, friendly relations with Foreign States, public order, decency or morality or which involves contempt of Court, defamation or incitement to an offence: or
- 2) resort to or in any way abet any form of strike in connection with any matter pertaining to his service or the service of any other Board employee
- 3) assault, threaten, intimidate, coerce, abuse or interfere with the work of the other employees of the Board.
- 4) Surround, 'Gherao' or confine any officer or any other employee of the Board in order to make him yield to the demands.

stock issued by the Board shall be redeemed on the expiration of such period as Board may, with the approval of the Government of India, determine.

Provided that such stock may be redeemed before the expiration of the said period, if the Board by a resolution so determines.

Provided further that no stock shall be liable to be redeemed before the expiration of the latest payment mentioned in the original resolution creating the stock unless at least three months' notice to redeem the same has been given.

Ans 5 (a)

1. "Restrictive Trade Practice" means a trade practice which tends to bring about manipulation of price or conditions of delivery or to affect flow of supplies in the market relating to goods or services in such a manner as to impose on the consumers unjustified costs or restrictions and shall include -----

(a) Delay beyond the period agreed to by a trader in supply of such goods or in providing the services which has led or is likely to lead to rise in the price;

(b) Any trade practice which requires a consumer to buy, hire or avail of any goods or, as the case may be, service as condition precedent to buying, hiring or availing of other goods or services;

2. An "unfair trade practice" means a trade practice, which, for the purpose of promoting any sale, use or supply of any goods or services, adopts unfair method, or unfair or deceptive practice. Some of these practices include:

False Representation: -

- When goods and services are not of stated standard, quality or grade;
- When second hand, renovated goods are sold as new ones;
- When goods and services do not have claimed use, usefulness or benefit;
- When products / services do not have the claimed warranty / guarantee;
- When the price of product or service is misleading.
- False and Misleading Advertisement of Selling at Bargain price.
- Offering gifts, prizes, etc. to lure customers with no intention of providing them.
- Selling goods which do not fall within the safety standards set up by competent authority.
- Hoarding or destroying goods with the intention of raising the cost of these or similar goods manufactured in greater number so as to manipulate higher prices.
- Manufacturing or offering spurious goods or adopting deceptive practices in the provision of services.

Ans 5 (b)

Objects incidental or ancillary to the attainment of the main objects are—

1. To obtain, maintain and comply with licenses, charters, concessions etc.
2. Borrowing power,
3. To acquire and lease property.
4. To acquire business / companies.
5. To generate and conduct etc. electrical energy.
6. To acquire Know - how etc.,
7. To undertake research development and training.
8. To sell transfer, or otherwise dispose of immoveable property etc.
9. To invest money.
10. To undertake joint ventures.
11. To provide for welfare of employees
12. To Sell transfer, or otherwise dispose of moveable property.
13. To enter into contracts.
14. To establish business practices, conditions of supply etc., and agencies etc.
15. To subscribe for shares.
16. To create funds, provisions, etc.
17. To open accounts in bank,
18. To acquire and sell part of companies.
19. To carry on consultancy services.
20. To promote and take-over other companies.
21. To act as an entrepreneur on behalf of Central or State Government.
22. To advance money.
23. To collect and use information.
24. To carry on other business for the optimum utilizations of assets.
25. To carry on convenient business.
26. To employ, appoint, terminate, or retrench employees.
27. To advertise services.
28. To outsource or contract out any aspect of its activities.
29. To allow another person to undertake distribution.
30. To maintain books of accounts.
31. To peruse and defend cases/claims.
32. Internal audit and corporate governance.
33. To carry on the business of carries by land etc.
34. To deal with goods etc., dealt with by subsidiaries.

Model solution to Question No. 1

P-IV a-1-5

- (a) A Board employee's claim to Travelling Allowance should be regulated by the regulations in force at the time of performance of journey Travelling Allowance of a Board employee, who is promoted or reverted or is granted an increased rate of pay with retrospective effect, should not be revised in respect of the period intervening between the date of promotion or reversion of grant of increased rate of pay and that on which it is notified, except where the notification implies a change of duties.

As such, arrear of TA can't be claimed due to revision of pay.

- (b) Competent authorities to sanction extra ordinary leave to employees of PSPCL are as under:

- | | |
|---|-------------------|
| 1. H.O.D (Secy./Chief Engineer/CAO/CA/CFO/FA etc.) | - upto 1 year |
| 2. Director in Charge | - upto 2 years |
| 3. BOD's | - in other cases. |

- (c) The Players, Coaches, Managers, Officials accompanying the PSPCL team would be entitled to draw Daily Allowance @ Rs. 300/- per day. Further, local players and officials will be entitled for diet money of Rs. 150/- per day during All India Elec. Sports Control Board Tournament/coaching camp once in a year. This will be in addition to any amount that may be given to them by the tournament committee for the purpose of Boarding and lodging. Besides TA/DA any amount/cash received from the tournament committee will be considered as "diet money" to be equally shared by the team including Coach, Manager & Official. The team players and Coaches/Managers & official will also be entitled to undertake journey by AC 3 tier sleeper in any train.

Note:- 1) TA/DA shall be admissible for to and fro Journey for participation in Sports Events.

- 2) Any officer accompanying the PSPCL teams as well as players will be entitled for TA as per the eligibility to the latest TA rule of PSPCL.

- (d) As per Reg -8.40 of MSR Vol.1, a corporation employee who remains absent after the end of leave is entitled to no leave-salary for the period of such absence and the period will be debited against his leave account as though it were leave on half pay unless his leave is extended by the competent authority. Wilful absence from duty after the expiry of leave may be treated as misbehaviour for the purpose of Regulation 3.16. If the competent authority is satisfied that the employee could not join his duty due to reasons beyond his control, then he can sanction this period as leave of kind due.

(5+5+5+5=20)

Model solution to Question No. 2

- (a) 1. When by reasons of additions and alterations, the capital cost of a residence exceeds by more than 5 per cent the capital cost on which the standard rent was last calculated.
2. On the expiry of five years from the date of last calculation of standard rent.
3. When the portion of capital cost of a residence is written off under the orders of Competent Authority.
- (b) The Contention of the employee is against the provisions of Rule 8.16(1) of MSR Vol-1, Part-1, vide which the medical certificate does not confer upon an employee the right to leave. He should have awaited the orders regarding sanction of leave. Therefore, the action of the competent Authority in refusing the leave is in accordance with the rules.
- (c) The appointing authority may permit a person to withdraw his resignation in public interest on the following conditions, namely :
1. That the resignation was tendered by the Government servant for some compelling reasons which did not involve any reflection on his integrity, efficiency or conduct and the request for withdrawal of the resignation has been made as a result of a material change in the circumstances which originally compelled him to tender the resignation;
 2. That during the period intervening between the date on which the resignation became effective and the date from which the request for withdrawal was made, the conduct of the person concerned was in no way improper;
 3. That the period of absence from duty between the date on which the resignation became effective and the date on which the person is allowed to resume duty as a result of permission to withdraw the resignation is not more than ninety days;
 4. That the post which was vacated by Government servant on the acceptance of his resignation or any other comparable post, is available.
- (d) According to rule 7.3(2) & (3) of MSR Vol.I Part-I, if the Appellate Authority is of the opinion that the compulsory retired employee has been fully exonerated. he will be paid full pay and allowances for the period of absence (when he remained out of service) and such period is to be treated as having been spent on duty. However, if the Authority considers some fault of the employee, he may be paid such pay and allowances (not being whole) as determined/fixed by the Authority, after giving notice to him and considering representation if any submitted by him, Such a period cannot be considered as spent on duty unless the Appellate Authority specifically direct so, vide rule 7.3(4) & (5) ibid.

(5+5+5+5=20)

Model solution to Question No. 3

(a) Counting of study leave for promotion, pension, seniority, leave and increments.-

1. Study leave shall count as service for promotion, pensions and seniority. It shall also count as service for increments as provided in rule 4.9 of MSR, Volume I, Part I.
2. The period spent on study leave shall not count for earning leave, other than half pay leave under rule 8.119 of MSR, Volume I, Part I.

(b) The advice of the competent Authority is against the provisions of Rule 13.14 (1) (d) of CSR Vol.II, vide which advance, equal to three months pay or Rs. 500/- whichever is greater and it shall not to exceed half of G.P. Fund balance, is admissible to an employee for such a purpose. As such advance of Rs. 10,000/- applied by the employee is admissible.

(c) Where a female Government employee has less than two living children, maternity leave under this rule may also be granted in cases of miscarriages and abortion including abortion included under the Medical Termination of Pregnancy Act, 1971, subject to the conditions that the leave does not exceed six weeks and the application for leave is supported by a certificate from a registered medical practitioner specified in rule 8.13 and, in case of doubt, certificate of a Principal Medical Officer or Assistant to a Civil Surgeon or Senior Medical Officer may be called for;

Provided that a female employee having two or more children shall not be entitled to avail this concession, but if required, can be sanctioned leave of kind due on production of a medical certificate.

As the female employee has applied for maternity leave for the period 01.08.2022 to 30.09.2022 i.e. 61 days, which is not allowable.

(d) As per part-II of Appendix 17 of MSR Vol-I, Part-I, Quarantine leave means leave granted to a Government employee during the presence of infectious disease in his family or house hold. Such leave upto 21 days is sanctioned by Head of Office on the certificate of Medical of Public Health Officer but in exceptional circumstances it can be sanctioned for 30 days.

As such, the competent authority can not reject his leave application.

(5+5+5+5=20)

Model solution to Question No. 4

(a) The action of the Suspending Authority in not allowing any subsistence allowance is against the provisions of rule 7.2(I) (ii) (a) of MSR Vol-I Part-I, vide which a suspended employee is entitled to subsistence allowance equal to the leave salary on half pay leave D.P D.A.IR on that pay during first six months of suspension irrespective of the gravity of offence with which he was charged.

(b) Where the services of an employee are lent to central or state government or an authority subordinate thereto or to a local or other authority (herein after referred to as the borrowing authority), the borrowing authority has the powers of the Appointing Authority for the purpose of placing him under suspension and the punishing authority for the purpose of taking a disciplinary proceedings against him;

Provided that the borrowing authority shall forth-with inform the authority which lent his services (hereinafter referred as lending authority), of the circumstances leading to the orders of his suspension or the commencement of disciplinary proceedings as the case may be.

As such, the action of the concerned department is justified.

(c) As per Sr. No. 9 of Delegation of Powers, CE/TS is competent to give administrative approval for capital expenditure of any amount incurred for construction of residential houses for PSPCL employees at 132 KVA substations or more. As such, CE/TS is competent to accord administrative approval for capital expenditure of Rs. 1 crore incurred for construction of residential houses for PSPCL employees at 132 KVA substations.

CE/TS is competent to give administrative approval for capital expenditure of upto Rs. 12.5 lakhs incurred for construction of residential houses for PSPCL employees at any other place. As such, CE/TS can not accord administrative approval for capital expenditure of Rs. 25 lakhs for incurred for construction of residential houses for PSPCL employees at 66 KVA substation

(d) Regulation 9.15. Revision of pension after authorisation -

1. Subject to the provisions of rules 2.1 and 2.2, pension once authorised after final assessment shall not be revised to the disadvantage of the Government employee, unless such revision becomes necessary on account of detection of a clerical error subsequently:

Provided that no revision of pension to the disadvantage of the pensioner shall be ordered by the Head of Office, without the concurrence of the Department of Finance, if the clerical error is detected after a period of two years from the date of authorisation of pension.

2. For the purpose of sub-rule (1), the retired Government employee shall be served with a notice by the Head of Office requiring him to refund the excess payment of pension within a period of two months from the date of receipt of notice by him.
3. In case the Government employee fails to comply with the notice, the Head of Office shall, by an order in writing, direct that such excess payment, shall be adjusted in instalments by making short payments of pension in future, in one or more instalments, as the Head of Office, may direct.

(5+5+5+5=20)

Model Solution to Question No. 5
(a) TA Bill of Mr. X

Date	Journey	K.Ms by own car	Car Mileage @ Rs. 6/- per K.M.	Air Fare	Taxi Charges Rs.	Daily Allowance Rs.	Remarks
01.12.2022 to 03.12.2022	Mohali to Jalandhar & Back	380	2280/-	—	—	90+90+120 = 300	75% of Daily allowance on 1.12.2022 & 2.12.2022 is payable due to lodging in PSPCL Rest House
08.12.2022	Mohali to Ludhiana & Back	180	1080/-	—	—	120/-	
12.12.2022	Mohali to Barnala & Back	360	2160/-			120/-	
18.12.2022 to 21.12.2022	Mohali to Chandigarh to Kolkata & Back	40	240/-	20500/-	1200/-	150 x3+120 =570	50% Daily allowance from 18.12.2022 to 20.12.2022 n Kolkata is payable due to free lodging & boarding
24.12.2022	Mohali to Patiala & Back	190	1140/-			120/-	(See note below Car Mileage beyond 1000 KMs in a month)
27.12.2022	Mohali (Local)	20	—	—	—	—	No. T.A. payable being local journey.
Total	If KMs beyond 1000 KMs are approved by HOD.	1170	7020/-	20500	1200	1230	G. Total= Rs. 29950
Total	If KMs beyond 1000 KMs are not approved by HOD.	1170	6000/-	20500	1200	1230	G. Total = Rs. 28930

Note:- As per memo No. 250/950 dt 1.1.2010 of Secretary/General Section-1 monthly limit of 1000 KMs for official journeys by own car by Additional Superintending Engineer beyond 1000 KMs in the months of 12/2022 are payable only, if approved by HOD, otherwise mileage by own car shall be restricted to 1000 KMs. in a month.

- (b) As per Note 1-C below Reg. 13 of PSPCL Provident Fund Regulations, 2010 when a subscriber is reported as missing, the interest shall be allowed after one year of declaration of missing i.e. registration of FIR up to the end of the month preceding that in which payment is made or up to the end of the six months after one year of registration of FIR, whichever of these periods be less.

(15+5=20)