

**PUNJAB WATER SUPPLY AND SEWERAGE BOARD**  
**(DEPRECIATION RESERVE FUND) REGULATIONS**

**1983**



**Punjab Water Supply and Sewerage Board**  
**Plot No. 1B, Sector – 27A, Madhya Marg, Chandigarh**

## **PUNJAB WATER SUPPLY AND SEWERAGE BOARD (DEPRECIATION RESERVE FUND) REGULATIONS 1983**

In exercise of the powers conferred- vide clause (f) of sub-section (2) of Section 72 of the Punjab Water Supply and Sewerage Board Act,1976 (Punjab Act. No. 28 of 1976), the Punjab Water Supply and Sewerage Board with the previous sanction of the Government makes the following regulations-

### **1. Short title, extent and commencement :-**

- (i) These regulations may be called the Punjab Water Supply and Sewerage Board (Depreciation Reserve Fund) Regulations, 1983.
- (ii) They shall apply to the Punjab Water Supply and Sewerage Board.
- (iii) These shall come into force with effect from 1st January, 1977.

### **2. Definitions :**

In these regulations, unless there is anything repugnant in the subject or context;

- (a) "Act" means the Punjab Water Supply and Sewerage Board Act,1976.
- (b) "Competent Authority" in relation to the exercise of any powers under these Regulations mean the "Board of Directors" of Punjab Water Supply and Sewerage Board or any other authority to which the relevant powers may be delegated under section 54 of the Punjab Water Supply and Sewerage Board Act,1976.

### **3. Principles for annual provisions to be made for depreciation reserve:**

The principles for annual provisions to be made for the depreciation reserve shall be as follows:-

- (i) The depreciation reserve shall not be calculated on different classes of assets but the amount on this account shall be calculated at the rate of 1/2% of the total out-turn ( of works expenditure excluding centage charges) during the relevant financial year.
- (ii) The depreciation so arrived at shall be charged to the Profit and Loss Account every year in the Final Accounts of the Board as on 31<sup>st</sup> March.
- (iii) (a) The amount of depreciation written off every year shall be invested in such securities etc. and in the manner as may be decided by the Board of Directors of Punjab Water Supply and Sewerage Board.  
(b) The periodical interest realized on these securities, etc. shall be invested in the same class of securities etc...subject to the regulations covering these investments.
- (iv) The amount of depreciation will be rounded off to the nearest rupees, fraction not exceeding fifty paise being ignored and fraction of and exceeding fifty paise being rounded off to a rupee.
- (v) The amount of depreciation not charged to Profit and Loss account of the financial years previous to the formation of these regulations may be charged to the Profit and Loss Account of any other subsequent year.

### **4. Method of accountal :**

The depreciation written off in the manner indicated in the regulation 3 above, shall be accounted for as under:-

- (i) The amount of depreciation to be written off every year shall be debited to " The Depreciation Account" and credited to "The Depreciation Reserve Fund Account".

- (ii) When a corresponding amount is invested in securities, the entry shall be to debit "Depreciation Reserve Fund Investment Account" and credit "Bank".
- (iii) The periodical interest realized on the invested securities, shall be debited to the "Bank" and credited to "The Depreciation Reserve Fund Account."
- (iv) On the investment being realized and entry shall be:  
Bank Account of PWSS Board-----Dr.  
To the Depreciation Reserve Fund Investment Account.
- (v) The amount realized on the sale of the discarded assets shall be credited to the Assets account concerned.
- (vi) No assets shall be discarded except with the sanction of the Competent Authority. The value realized in respect of the discarded item, if any, shall be credited to the "Assets Account". The balance under the account shall be adjusted by debiting/crediting to "Depreciation Reserve Fund Account".
- (vii) No discarded assets shall be replaced except with the sanction of the "Competent Authority. The cost of new item shall be debited to the concerned "Assets Account" . Simultaneously the value of the asset as outstanding after giving the effect as at Serial No. (vi) above should be debited to "Depreciation Reserve Fund Account" by credit to the Assets Accounts".

**5. Utilisation of fund :**

- (i) Fund will be utilized for replacement of assets, initially charged to capital outlay which has to wear out in the process of the activities of the "Board".
- (ii) Portion of the fund may be utilized with the prior approval of the Board of Directors of the Punjab Water Supply and Sewerage Board for any purpose other than that for which it was constituted and reviewed in (i) above.

**6. Power to interpret:**

If any question arises as to the interpretation of these regulations, the Secretary to Government Punjab, Local Government Department shall decide the same.

Chandigarh, 1983.

M.L.SEHGAL  
Managing Director  
Punjab Water Supply and Sewerage Board.