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Notes

1) computer accessories like, printer, UPS, sconner etc eligible for Depⁿ @ 40%.

2) Mobile ~~Mobile~~ Phones & EPABX are not computer so Dep allowed @ ~~16%~~ 15%

lec. 33 Date = 20 Sep 2024

E) System of Depreciation

- SLM Method → Individual Asset system (Same Adv Acc)
- WDV Method → Block of Asset system

Group of Asset = Same class + Same rent

Example.

1. Building @ 10% = 500,000
2. furniture @ 10% = 100,000
3. Plant & machinery @ 15% = 200,000
4. patent @ 25% 200000
5. CAR @ 15% 200000
6. computer @ 40% : 60000
7. Pollⁿ control eq: @ 40% 20000:
8. Books @ 40% 10000
9. p&m @ 15% 50000
10. wind mills @ 40% 90000.

BLOCK

I - Building @ 10% 500000
II - furniture @ 10% 100000
III p&m @ 15% 450000
III p&m @ 40% 180000
V Int. Asset @ 25% 200000

f) Calculation of Dep^n / WDV method / Block of Asset

		₹
	Opening WDV of Blocks of Asset	
Add:	Actual cost of Asset Acquired during P.Y	
	→ Asset Acquired put to used 180 days or more	xx
	→ Asset Acq. put to used less than 180 days	xx
	Asset Acq. but not to put to used	xx
		xxx
	less: Sale value (money received)	(xxx)
	WDV For Dep ⊛	xxx
	less: Dep Actually Allowed	xxx
		~~xxx~~
	Closing WDV ←	xxx

⊛ WDV for Dep^n

↓

Asset Acq but not put to use	Asset Acq. & put to used less than 180 days.	Balance WDV
↓	↓	↓
No Dep^n	Half rate Dep^n	Full Rate Dep^n

Note

If asset acq. during the previous year and put to use for less than 180 days for that previous year then Dep^n is Allowed at half rate.

Asset put to use upto 3rd Oct 2024 → full rate
Asset put to use on or after ~~upto~~ 4th Oct 2024 → Half rate.

Ex.

MR. BB.

Cost = 10,00,000 @ 15%.

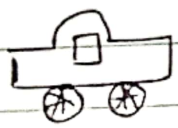
Acq on 15/7/24

Put to Used 10/12/24

Dep PY 24-25

1000,000 × 7.5% = 75000

MR BB



Cost 1000,000 @ 15%.

Acq on 15/7/24

Put to used 10/12/25

PY 24-25 : No Dep^n

PY 25-26 : 10,00,000 × 15% = 150000

Ex 1

Opening WDV of Block 9,00,000

Asset Acq and put to use on 10/12/24 400,000

Asset sold on 15/11/2024 = 300,000

Calculate Dep^n to be allowed assume dep^n rate 15%.

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→ Opening WDV of Block 10,00,000
Add: Actual cost of Asset during Previous year.
Put to use less than 180 days 400,000

14,00,000

Money received (sale price) 300,000

11,00,000

(-) Dep actually allowed* 135000

Closing WDV. 965000

* WDV for Dep 11,00,000

Put to use less than 180days.

400,000 × 7.5%.

= 30000

Balance

700,000 × 15%.

= 1050000

Ex-2 Suppose in above example if sale value of Asset is 12,00,000 instead of 3 lakh calculate depreciation.

Opening WDV of Balance 10,00,000

Add: Actual cost of Asset Acq. during PY

Put to used less than 180 days 400,000

14,00,000

- money received (sale value) 1200,000

200,000

(-) Dep. Actually Allowed* 15000

Closing WDV 185000

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WDV for DeP

Put to used less than 180 days — 200,000 X 7.5% = 15000

Bal — 0.

Q 3 Page NO 54.

MR. CA. Dhawal (PY 24-25 AY 25-26)

Particulars	P&M 40%	Furniture @10%
Opening WDV of Block	–	–
Add: Actual cost of Asset Acquired during PY		
→ Put to used 180 days or more	60500	300,000
→ Put to used less than 180 days	51500	–
	112000	300,000
(–) Money received (saleprice)	–	–
WDV For Dep^n	112000	300000
Actual Dep^n Allowed	34500	30000
Closing WDV	77500	270000

WDV for Dep^n 112000

Put to used less than 180 days
51500 X 20%
= 10300

Bal
60500 X 40%
= 24200

Date:

Q1) Additional depreciation (sec 32(1)(iia))

1) Assessee

- Assessee engaged in manufacturing, power generation, power distribution, power transmission

2) Add Depⁿ @ 20% allowed on plant and machinery except

→ second hand plant & m

→ any p&m installed in office premises or residential accomodation.

→ ship, aircraft & transport vehicles

→ p&m on which 100% deduction allowed

3 Add Depⁿ allowed only in the first year in which ~~it~~ Asset first put to use. If put to use for less than 180 days then 10% Depⁿ is alloved in current year and remaining 10% in next year.

Add Depⁿ is allowed only if Assessee follow WDV method

Printing ~~and~~ or Printing and publication business is treated as manufacturing business and eligible for add Depⁿ

Forklift truck used in factory is not treated as transport vehicle so eligible for Add Depⁿ

Solⁿ

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Note
Add Dep^n not allowed if assessee opted default taxation regime ~~u/s~~ under 115 BAC

→ Q1. Page No 54

Sol^n → MR. X (PY 24-25 AY 25-26)

Computation of Dep^n & Additional Dep^n

	P&M @15%	P&M 40%
Opening WDV of Block	30,00,000.	–
Add:- Actual cost of Asset Acquired during PY		
Put to use 180 days or more	2000,000	–
Put to used less than 180 days	800,000	300,000
	5800,000	300,000
less (Sale price)	–	–
WDV for Dep	5800,000	300000
less: Dep Actually Allowed		(60000)
→ Normal Dep	(81000) ~~80000~~	–
→ Additional Dep	(480000)	–
Closing WDV	45,10,000	240000

(2000,000 × 20%) + (800000 × 10%)
(400,000 + 80000)

WDV For Dep^n 58,00,000

less than 180 days
↓
800000 × 7.5% = 60000

Bal
50,00,000 × 15%
750000

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→ Soln

Mr. Lights (PY 24-25 AY 25-26)

		P&m@15%	P&m 40%
	Opening WDV of Block		-
Add:	Actual cost of Assets Acquired during PY	578000.	-
	Put to use for 180 days or more	11,00,000	250000
	put to use less than 180 days.	525000	-
		2203000	250000
	(-) (sale price) money received	(310000)	-
	WDV for Depn	1893000.	250000
	less: Actual Depn		
	1) Normal Depn	(244515)	100,000
	2) Additional Depn	(192500)	50000
	① (250000 x 20%) for the P&m@40%		
	② 800,000 x 20%) + (325000 x 10%)	1455925	100000
	~~Closing WDV~~		~~150~~

WDV for Depn 1893000.

less than 180 days @ 7.5%.

525000 x 7.5%

39375

Bal

1368000 x 15%

205200