

Ques

Saini & Sons manufactures mobile charges in India

Opening P & M ₹ 60 lakhs

P & M 'Y' Purchase on 13<sup>1</sup>

27 July 2024

Find dep. for the year & closing WDV old regime.

Opening P & M

60 l

9 l

Normal  $\times 15\%$

9 l

Particulars	₹
(1) Plant & Machinery	
(a) Normal depre	
• opening 60 l $\times 15\%$	9,00,000
• P & M 'Y' 13 l $\times 15\%$	1,95,000
(Pur on 27 July 2024)	
Total Normal dep.	10,95,000
(b) Additional dep	
P & M 'Y' (13 l $\times 20\%$ )	2,60,000
Total dep.	13,55,000

Note Since put to use for P&M 'Y' is 180 days or more if full dep will be provided.

→ Calculating of closing WDV

Particulars	₹
Opening P&M.	600
(+) Purchase	130
	730
Amt before dep.	(13.550)
(-) Less total dep.	
	59.450
closing WDV	

Que Manufacturing Entity  
 opening P&M 70 lakhs  
 P&M (B) Purchase on ₹18 lakh  
 2 Dec 2024 (Half)

Find dep for PY 24-25 & 25-26

solve as per the old Regime.

→ Calculation of Depre & closing wDV PY 24-25

Particulars	£
• opening P&M	70,00,000
• Add Purchase on 2 Dec 2024 (Put to use 120)	18,00,000
Block of Asset before depre.	88,00,000
(a) Normal depreciation	
• open P&M = 70l x 15%	10,50,000
• P&M 'B' (Half dep) 18l x 7.5%	<u>1,35,000</u>
	(11,85,000)
(b) Additional depre. 18l x 10%	
	(1,80,000)
Closing wDV after dep.	<u><u>74,35,000</u></u>

→ Calculation of Depreciation for PY 24-25 25-26

Particulars	£
(A) Normal depreciation (last year closing this year opening) (7435000 x 15%)	11,15,250
(B) Additional depre. 18l x 10%	1,80,000
Total depreciation	<u><u>12,95,250</u></u>

Que Manufacturing entity

New Furniture purchase on 7 Nov 2024  
for ₹ 16 lakhs (half)

New P&M purchase on 6 June 2024 for ₹ 23 lakhs  
(Computer) (full) (half)

One more computer purchase on 7 July 2024 for  
₹ 9 lakhs & put to use on 11 Dec 2024

Find total dep for PY 24-25. old Regime.

<u>Furniture</u>		<u>P &amp; M (Computer)</u>	
	16 lakh		Purchase.
<u>Half</u>	<u>x 5%.</u>	6 June	July /
	<u>80,000</u>	<u>full</u>	use Dec
			<u>half</u>
		<u>23 l</u>	<u>9 l</u>
	Normal (40%) 9.2 l		1.8 l (20%)
	Additional (20%) 4.6 l		90K (10%)
		<u>13.8 l</u>	<u>2.7 l</u>
<u>Furniture</u>			
<u>80,000</u>	(+)	<u>16.5 l</u>	
		<u>17.3 l</u>	

Que Opening P&M £90k  
(A, B, C)

New 2nd hand P&M Purchase on 11 Oct 2024

P&M 'A' sold on £94k on  
11 May 2024

Manufacturing entity

Find dep for the year. (old Regime)

Opening 90k  
2nd hand 11k  

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101k

Opening WDV	90,000.00
⊕ Purchase 2nd hand P&M on 11 Oct 2024 (No. of days of put to use is less than 180 days, so half dep will be provided)	11,000.00
less: P&M 'A' sold	(94,000.00)
WDV before depreciation	7,000.00
Depreciation @ 7.5%	<u>52,500</u>

Qw what if in the above case P & M of ₹ 11l would have been new?

Open	90k
New	<u>11l</u>
	<u>101</u>
(-) sell	<u>(94)</u>
	<u>7l</u>

New → Normal  $7.5\% \times 7l = 52500$   
 Additional →  $10\% \times 11l = 1,10,000$

Total dep 1,62,500

Que Manufacturing entity

Open P & M 60l  
(X, Y, Z)

New P & M Purchase 13l  
on 28 Jan 2025

P & M 'X' sold for 64 lakh

Find dep. for the year.

<u>Opening</u>	<u>New Purchase</u>	
sell 60l	13l (28 Jan 2025) (Half)	
64l (60l)	(4l)	
<u>0</u>	<u>9lakh</u>	7.5% = 67500
		10% = 90,000

Additional on Original Cost  $\rightarrow$  Actual Cost

$$13.1 \times 10.1 = 130,000$$

$$67,500 + 130,000 = \boxed{197,500}$$

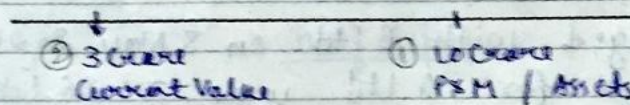
✓ Lec 5 5 March  
(straight line method)

\* SLM Depreciation for power generation, Transmission undertakings Benefit  $\rightarrow$  Tangible Asset.

By default SLM  $\rightarrow$  shift to WDV optional.

for cases SLM not to settle

Eg P&M Purchase, life  $\rightarrow$  10 Cr., 10 years.

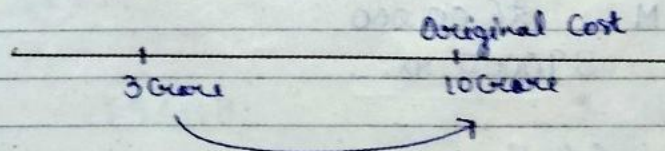


Case I

Sell 1 Cr. = Terminal depreciation (2 Cr. loss)  $\rightarrow$  P&L Debit (Expense)

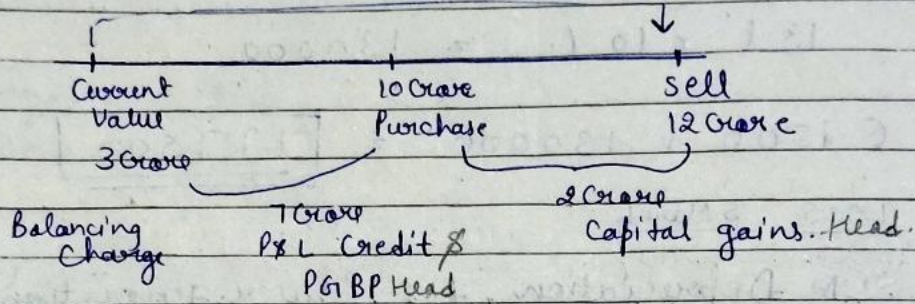
II Sell 7 Cr. = Balancing change (4 Cr. Profit)  $\rightarrow$  Expense P&L Credit (Income)

III Sale Value = 10 Cr.



Profit 7 Cr. Balancing Change = P&L Credit.

IV Asset sell for 12 Crore



\* Depreciation in Case of Amalgamation / Demerger

at last mai calculate karina hai  
 • Proportionate → NO. of days.  
 • No. of days.  
 (PVR + Inon) (Rel ind → Jio Financial)

Eg A Ltd. merged with B Ltd. on 8 Nov 2024.  
 • opening P&M for A Ltd. was ₹ 26 lakhs

Find Deprec. for the year for both A Ltd & B Ltd.  
 221 days

(1 April to 7 Nov) = A Ltd. 221 days.  
 (8 Nov to 31 Mar) = B Ltd 144 days

→ Calculation of dep.

A Ltd. P&M 26,00,000  
 Dep. @ 15% 3,90,000 rs.

→ Allocation to A & B.

$$A \text{ Ltd. } \left( 3,90,000 \times \frac{221}{365} \right) = \underline{\underline{2,36,137}}$$

$$B Ltd \left( 390000 \times \frac{144}{365} \right) = \underline{\underline{153863}}$$

Que X Ltd. merged with Y Ltd. on 11 Dec 2024  
Manufacturing Entities

X Ltd. opening Bal Building = 63 lacs  
New Building purchase by Y Ltd. on 11 Nov 2024  
for ₹ 18l

Find dep. for the year for PY 24-25.

Building opening.  
 $63l \times 10\% = 6.30.000$

New Building 11 Nov 2023 18 lakh  
half dep.

$$18l \times 5\% = 90000$$

X Ltd

Y Ltd.

630,000

~~438410~~  
438410

191590

$$\left( 630000 \times \frac{254}{365} \right)$$

$$\left( 630000 \times \frac{111}{365} \right)$$

(+)

(+)

90000

19,149

8,70,851

$$\left( 90000 \times \frac{30}{141} \right)$$

$$\left( 90000 \times \frac{111}{141} \right)$$

457559

262441