eg. Suppose in the above eg. the sale value of Asset is 1200000 instead of 300000. Calculate Depreciation.

Opening WDV of Block	1000000
Add:- Actual cost of Asset Acq. during PY	
Put to use less than 180 days	400000
	1400000
(-) Money rec'd (sales value)	(1200000)
WDV for Dep^n	200000
(-) Dep Actually Allowed	15000
Closing WDV	185000

WDV for Dep 200000

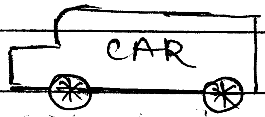
Put to use less than 180 days | Balance

200000 × 7.5%

= 15000

eg

Mr BB



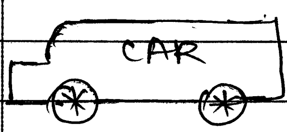
Acquired	Put to used
19/7/25	10/12/25

Cost : 1000000

Dep^n for PY 25-26 = 1000000 × 7.5%

= 75000

Mr BB



Acquired	Put to used
19/7/25	10/12/26

Dep^n in PY 25-26 :- NO Dep

PY 26-27 :- 1000000 × 15% = 150000

Q3 / pg 64

Mr CA Dhawal PY 25-26 AY 26-27

		P&M @ 40%	Furniture @ 10%
	Opening WDV of Block	—	—
Add :-	Actual cost of Assets acquired		
	→ Put to use 180 days or more	60500	300000
	→ Put to use for less than 180 days	51500	—
		112000	300000
	Less :- Sale value	—	—
	WDV for Dep^n	112000	300000
	Less :- Dep^n Actually allowed	(34500)	(30000)
	Closing WDV	77500	270000

WDV for Dep^n 112000

Less than 180 days	Balance
51500 x 20%	60500 x 40%
= 10300	= 24200

20/9

4) Additional Depreciation (Sec 32(1)(iiA))

(i) Assessee: Engaged in Manufacturing, Power Generation, Power distribution, Power transmission

(ii) – Additional depn allowed @ 20% on New P&M except
- 2nd Hand P&M
- Any P&M installed in Office premises or residential accomodation
- Ship, Aircraft and Transport Vehicle
- P&M on which 100% deduction allowed

(iii) Additional Depn allowed only in the 1st year in which Asset first put to use. If Asset put to use for less than 180 days then 10% allowed in CY and 10% allower in Next year.

(iv) Additional Depn allowed only if Assessee follows WDV method.

(v) Printing or Printing and publishing is treated as Manufacturing business and eligible for additional depn.

(vi) Forklift truck used in factory is not treated as transport vehicle so eligible for additional depn.

(vii) Additional depn not allowed if Assessee opted out of Default Tax Regime u/s 115BAC.

Q1 / pg 63

Mr X PY 25-26 AY 26-27

Computation of Depreciation and Additional Depn

		P&M @ 15%	P&M @ 40%
	Opening WDV of Block	3000000	—
Add:-	Actual cost of Asset Acq. during PY		
	→ Put to use 180 days or more	2000000	—
	→ Put to use less than 180 days	800000	300000
		5800000	300000
	Less:- Sale value	—	—
	WDV for Dep	5800000	300000
Less:	Depn Actually allowed		
	→ Normal Depn	(810000)	(6000)
	→ Additional Depn	(480000)	—
	[(2000000 × 20%) + (800000 × 10%)]		
	[400000 + 80000]		
	Closing WDV	4510000	240000

WDV for Dep:- 5800000

Less than 180 days ↓ 800000 × 7.5% = 60000

Balance ↓ 5000000 × 15% = 750000

Q8 / pg 70

Mr Gupta PY 25-26 AY 26-27

Computation of Dep^n and Additional Dep^n

		P&M @ 15%	P&M 40%
	Opening WDV of Block	578000	—
Add :-	Actual cost of Asset acquired		
	→ Put to use 180 days or more	1100000	250000
	→ Put to use less than 180 days	525000	—
		2203000	250000
	Less :- Sale value	(310000)	—
	WDV for Dep^n	1893000	250000
	(-) Dep Actually allowed		
	Normal Dep	(244575)	(100000)
	Additional Dep		
	[(800000 x 20%) + (325000 x 10%)]	(192500)	(50000)
	Closing WDV	1455925	100000

WDV for Dep 1893000

Less than 180 days	Balance
525000 x 7.5%	1368000 x 15%
= 39375	= 205200

H] Actual cost [sec 43(1)]

Cost of Asset [Purchase price]	xxx
Add 1) Transportation expenses	xxx
2) Installation expense	xxx
3) Trial Run/Test run exp	xxx
4) Taxes and Duties [if ITC is not Available]	xxx
5) Interest on loan [upto the date on which asset put to use]	xxx
	xxx
Less: (i) Sale of Trial run product	(xxx)
(ii) Govt. grant for Acquisition of Asset	(xxx)
Actual cost	xxx

Note (i) If any payment is made in relation to the acquisition of Asset more than 10,000 by any mode other than A/c payee cheque, A/c demand draft or ECS to a single person in a single day then such expenditure not included in Actual cost.

(ii) If any building which was used for any other purpose now brought into business

Actual cost	₹
Cost of Building	xxx
(-) National Dep^n at current Rate	(xxx)
Actual cost	xx

Ex. Mr BB purchased a Building for ₹ 1500000 on 19th Feb 2023, On 19/7/25 he brought such building into business use. Calculate Actual cost.

Actual cost	1500000
(-) Notional depn	
PY (22-23) (5%)	75000
(23-24) (10%)	142500
(24-25) (10%)	128250
Actual cost	1154250

→ The above provision is applicable only for building and not for any other asset. So if any other Asset brought into the business actual cost shall be cost of which such asset were acquired.

(3) If any Asset acquired by way of gift, will or inheritance

Actual cost = cost to Previous owner − Depn Actually allowed to P. owner

(4) If any, stock in Trade is converted into capital Asset and such capital Asset used in the business then actual cost shall be FMV as on date of conversion.

Lodha Builder

Building Office SIT → Convert into capital Asset → Add to Block of Asset

Convert into capital Asset ↓ FMV = 1200000 ↓ Taxable under PGBP

Add to Block of Asset ↓ Actual cost ↓ FMV = 1200000

(5) If any Asset is acquired at higher value to claim depⁿ on Higher cost then Actual cost of such Asset shall be determined by Assessing officer with a prior approval of Joint commissioner.

(6) If any Asset transferred by Assessee and after sometime Reacquired same Asset by same Assessee then Actual cost shall be

Actual cost

(i) WDV at the time of original transfer	xx
(ii) Reacquisition cost	xx
whichever is lower	xx

(7) If any Asset is acquired from any person and lease back to same person then Actual cost shall be WDV of seller.

I] Sec 50 :- Sale of Asset / WDV Method / Block of Asset

SP = 1170000 SP = 630000 SP = 920000 SP = 490000

Block can be NIL but Never Negative	Full Block Transfer ₹	No	₹	No	Part Block Transfer ₹	No	₹	No
Opening WDV	600000	5	600000	5	600000	5	600000	5
(+) Purchase	200000	2	200000	2	200000	2	200000	2
	800000	7	800000	7	800000	7	800000	7
(-) Sales value	800000	7	630000	7	800000	4	490000	4
WDV for Dep^n	–	–	170000	–	–	3	310000	3
	Asset ✗		Asset ✗		Asset ✓		Asset ✓	
	WDV ✗		WDV ✓		WDV ✗		WDV ✓	
	Dep ✗		Dep ✗		Dep ✗		Dep ✓	
	CG ✓		CG ✓		CG ✓		CG ✗	

CG
FVOC 1170000
(-) COA (WDV) (800000)
(OP + Pur)
STCG 370000

CG
FVOC 630000
(-) COA (800000)
STCL (170000)

CG
FVOC 920000
(-) COA (800000)
STCG 120000

Q9
pg NO 71

M/s Singhania co. PY 25-26 AY 26-27

i) Calculation of Dep

		₹	NO OF Asset
	Opening WDV	850000	6
Add:	Actual cost of Asset acq Put to use less than 180 days	850000	1
		1700000	7
Less:-	Sales value (Money Recd)	1100000	3
	WDV for Dep	600000	4
Less:-	Dep Actually Allowed	45000	
		555000	

WDV for Dep 600000

Less than 180 days
600000 × 7.5% = 45000

ii) In this case capital gain is not applicable since the block of Asset continue to exist

iii) If sale price of Asset is 21 lachs i.e. more than OP WDV and Purchase so CG is applicable.

Computation of capital gain	₹
FVOC	2100000
(-) COA (WDV + Purchase)	(1700000)
STCG	400000