

Nature of Assets				W.D.V. (%)	S.L.M. (%)
(1)				(2)	(3)
I.	a)	BUILDINGS (other than factory buildings) [NESD]	Single Shift	5	1.63
	b)	FACTORY BUILDINGS	Single Shift	10	3.34
	c)	PURELY TEMPORARY EREC- TIONS such as wooden structures	Single Shift	100	100
II.	PLANT AND MACHINERY				
	i.	General rate applicable to,			
	a)	plant and machinery (not being a ship) other than continuous process plant for which no special rate has been prescribed under (ii) below	Single Shift Double Shift Triple Shift	13.91 20.87 27.82	4.75 7.42 10.34
	b)	continuous process plant, other than those for which no special rate has been prescribed under (ii) below (NESD)	Single Shift	15.33	5.28
	ii.	Special Rates			
A.	1.	Cinematograph films – Machinery used in the production and exhibition of cinematograph films (NESD)	Single Shift	20	7.07
	a)	Recording equipment, reproducing equipment, developing machines, printing machines, editing machines, synchronizers and studio lights except bulbs			
	b)	Projecting equipment of film exhibiting concerns			
	2.	Cycles (NESD)	Single Shift	20	7.07
	3.	Electrical Machinery, X-ray and electrotherapeutic apparatus and accessories thereto, medical diagnostic equipments, namely, Catscan, Ultrasound Machine, ECG Monitors, etc. (NESD)	Single Shift	20	7.07
	4.	Juice boiling pans (<i>karhais</i>) (NESD)	Single Shift	20	7.07
	5.	Motor-cars, motor cycles, scooters and other mopeds (NESD)	Single Shift	25.89	9.5

	6.	Electrically operated vehicles including battery powered or fuel cell powered vehicles (NESD)	Single Shift	20	7.07
	7.	Sugarcane crushers (indigenous kolhus and belans) (NESD)	Single Shift	20	7.07
	8.	Glass manufacturing concerns except direct fire glass melting furnaces — recuperative and regenerative glass melting furnaces	Single Shift Double Shift Triple Shift	20 30 40	7.07 11.31 16.21
	9.	Machinery used in the manufacture of electronic goods or components	Single Shift Double Shift Triple Shift	15.62 23.42 31.23	5.38 8.46 11.87
	B. 1.	Aeroplanes, Aeroengines, simulators, visual system and quick engine change equipment (NESD)	Single Shift	16.2	5.6
	2.	Concrete pipes manufacture moulds (NESD)	Single Shift	30	11.31
	3.	Drum container manufacture dies (NESD)			
	4.	Earth-moving machinery employed in heavy construction works, such as dams, tunnels, canals, etc. (NESD)			
	5.	Glass manufacturing concerns except direct fire glass melting furnaces - Moulds (NESD)			
	6.	Moulds in iron foundries (NESD)			
	7.	Mineral oil concerns — Field operations (above ground) — portable boilers, drilling tools, well-head tanks, rigs, etc. (NESD)			
	8.	Mines and quarries — Portable underground machinery and earth moving machinery used in open cast mining (NESD)			
	9.	Motor buses and motor lorries other than used in a business of running them on hire			
	9A.	Motor tractors, harvesting combines (NESD)			
	10.	Patterns, dies and templates (NESD)			
	11.	Ropeway structures — Rope-ways, ropes and trestle sheaves and connected parts (NESD)			

	12.	Shoes and other leather goods factories — wooden lasts used in the manufacture of shoes	Single Shift Double Shift Triple Shift	30 45 60	11.31 18.96 29.05
C.	1.	Motor buses, motor lorries and motor taxies used in a business or running them on hire (NESD)	Single Shift	40	16.21
	2.	Rubber and plastic goods factories — Moulds (NESD)			
	3.	Data Processing Machines including computers (NESD)			
	4.	Gas cylinders including valves and regulators (NESD)			
D.	1.	Artificial silk manufacturing machinery wooden parts	Single Shift	100	100
	2.	Cinematography films — Bulbs of studio lights			
	3.	Flour Mills — Rollers			
	4.	Glass manufacturing concerns Direct fire glass melting furnaces			
	4a.	Float Glass Melting Furnaces (NESD)	Single Shift	27	10
	5.	Iron and steel industries —Rolling mills rolls	Single Shift	100	100
	6.	Match factories — Wooden match frames			
	7.	Mineral oil concerns —			
	a)	Plant used in field operations (below ground) — Distribution returnable packages			
	b)	Plant used in field operations (below ground) but not including assets used in field operations (distribution) — Kerbside pumps including underground tanks and fittings			
	8.	Mines and quarries —			
	a)	Tubs, windings ropes, haulage ropes and sand stowing pipes			
	b)	Safety lamps			
	9.	Salt works — salt pans, reservoirs and condensers, etc., made of earthy, sandy or clay material or any other similar material			

	10.	Sugar works — Rollers			
III.	FURNITURE AND FITTINGS				
	1.	General rates (NESD)	Single Shift	18.1	6.33
	2.	Rate for furniture and fittings used in hotels, restaurants and boarding houses, schools, colleges and other educational institutions, libraries, welfare centres, meeting halls, cinema houses, theatres and circus, and for furniture and fittings let out on hire for use on the occasion of marriages and similar functions (NESD)	Single Shift	25.88	9.5
IV.	SHIPS —				
	1.	Ocean-going ships —			
	i)	Fishing vessels with wooden hull (NESD)	Single Shift	27.05	10
	ii)	Dredgers, tugs, barges, survey launches and other similar ships used mainly for dredging purposes (NESD)	Single Shift	19.8	7
	iii)	Other ships (NESD)	Single Shift	14.6	5
	2.	Vessels ordinarily operating on inland waters —			
	i)	Speed boats (NESD)	Single Shift	20	7.07
	ii)	Other vessels (NESD)	Single Shift	10	3.34

Notes

- "Buildings" include roads, bridges, culverts, wells and tubewells.
- "Factory buildings" does not include offices, godowns, officers' and employees' quarters, roads, bridges, culverts, wells and tubewells.
- "Speed boat" means a motor boat driven by a high speed internal combustion engine capable of propelling the boat at a speed exceeding 24 kilometres per hour in still water and so designed that when running at a speed it will plane, i.e., its bow will rise from the water.
- Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, the depreciation on such assets shall be calculated on a *pro rata* basis from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed.
- The following information should also be disclosed in the accounts :
 - depreciation methods used; and
 - depreciation rates or the useful lives of the assets, if they are different from the principal rates specified in the Schedule.
- The calculations of the extra depreciation for double shift working and for triple shift working shall be made separately in the proportion which the

number of days for which the concern worked double shift or triple shift, as the case may be, bears to the normal number of working days during the year. For this purpose, the normal number of working days during the year shall be deemed to be :

1. in the case of a seasonal factory or concern, the number of days on which the factory or concern actually worked during the year or 180 days, whichever is greater;
2. in any other case, the number of days on which the factory or concern actually worked during the year or 240 days, whichever is greater.

The extra shift depreciation shall not be charged in respect of any item of machinery or plant which has been specifically, excepted by inscription of the letters "NESD" (meaning "No Extra Shift Depreciation") against it in sub-items above and also in respect of the following items of machinery and plant to which the general rate of depreciation of 13.91% applies

- c. Accounting machines.
- d. Air-conditioning machinery including room air-conditioners.
- e. Building contractor's machinery.
- f. Calculating machines.
- g. Electrical machinery — switchgear and instruments, transformers and other stationary plant and wiring and fitting of electric light and fan installations.
- h. Hydraulic works, pipelines and sluices.
- i. Locomotives, rolling stocks, tramways and railways used by concerns, excluding railway concerns.
- j. Mineral oil concerns field operations
 - i. Prime movers
 - ii. Storage tanks (above ground)
 - iii. Pipelines (above ground)
 - iv. Jetties and dry docks
- k. i) Mineral oil concerns — field operations (distribution) — kerbside pumps, including underground tanks and fittings.
- l. Mineral oil concerns refineries:
 - i. Prime movers
 - ii. LPG plant
- m. Mines and quarries
 - i. Surface and underground machinery (other than electrical machinery and portable underground machinery).
 - ii. Head-gears
 - iii. Rails
 - iv. Shafts and inclines
 - v. Tramways on the surface
- n. Neo-post franking machines
- o. Office machinery
- p. Overhead cables and wires
- q. Railway sidings
- r. Refrigeration plant containers, etc. (other than racks)
- s. Ropeways structures
 - i. Trestle and station steel work
 - ii. Driving and tension gearing
- t. Salt works — Reservoirs, condensers, salt pans, delivery channels and piers if constructed of masonry, concrete, cement, asphalt or similar

- materials; barges and floating plant; piers, quays and jetties; and pipelines for conveying brine if constructed of masonry, concrete, cement, asphalt or similar materials.
- u. Surgical instruments
- v. Tramways, electric and tramways run by internal combustion engines — permanent way cars — car trucks, car bodies, electrical equipment and motors; tram cars including engines and gears.
- w. Typewriters
- x. Weighing machines
- y. Wireless apparatus and gear, wireless appliances and accessories.
- 7. "Continuous Process Plant" means a plant which is required and designed to operate 24 hours a day.
- 8. Notwithstanding anything mentioned in this Schedule, depreciation on assets, whose actual cost does not exceed Rs. 5,000 shall be provided depreciation @ 100%.

Provided that where the aggregate actual cost of individual items of plant and machinery costing Rs. 5,000 or less constitutes more than 10% of the total actual cost of plant and machinery, rates of depreciation applicable to such item shall be the rates as specified in Item II of the Schedule.

The Research Committee of the Institute of Chartered Accountants of India has issued a Guidance Note on Significant issues arising from the amendments made by Notification dated 16-12-1993 issued by the Department of Company Affairs. The Guidance Note *inter alia* covers the following issues in supplement to the earlier Guidance Note and supersedes the same.

"Continuous Process Plant"

In case of the plant which is designed to operate for 24 hours a day but is required to shut down for some reasons like lack of demand or maintenance etc., the relevant rate for Continuous Process Plant would be applicable. However, in case of Plant which may work for 24 hours in a day but which is not technically designed to work as such, extra shift rates prescribed in the schedule would be applicable.

A Continuous Process Plant is distinguished from repetitive process plant or assembly-line type plants. Such plants do not involve significant shut down and/or start up costs. Hence they are not technically required and designed to operate 24 hours a day.

An ancillary equipment/plant which is an integral part of the Continuous Process Plant should be depreciated along with the main Continuous Process Plant.

It is not necessary for the whole concern to be defined as a Continuous Process Plant.

Depreciation on low value items :

In respect of the assets acquired prior to December 16, 1993, the amount of write off depends on the alternative chosen to depreciate the asset.

Depreciation be provided on *pro rata* basis from the date of additions even in case of low value items. However, a company can write off fully, low value items on the Consideration of Materiality after disclosing appropriately such accounting policies in the accounts.

W.D.V. : Written Down Value S.L.M. : Straight Line Method
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