

**The Companies Act, 1956**  
**SCHEDULE XIV** (See sections 205 & 350)

Rates of depreciation

Nature of assets	Single Shift		Double Shift		Triple Shift	
	W.D.V.	S.L.M.	W.D.V.	S.L.M.	W.D.V.	S.L.M.
I. (a) Buildings (other than factory buildings) (NESD)	5%	1.63%	..	..	..	..
<b>(b) Factory buildings</b>	<b>10%</b>	<b>3.34%</b>	..	..	..	..
(c) Purely temporary erections such as wooden structures	100%	100%	..	..	..	..
II. Plant & Machinery						
(i) General rate applicable to,						
<b>(a) plant &amp; machinery (not being a ship) other than continuous process plant for which no special rate has been prescribed under (ii) below:</b>	<b>13.91%</b>	<b>4.75%</b>	<b>20.87%</b>	<b>7.42%</b>	<b>27.82%</b>	<b>10.34%</b>
(b) continuous process plant, for which no special rate has been prescribed under (ii) below. (NESD)	15.33%	5.28%	..	..	..	..
(ii) Special rates						
A. 1. Cinematograph films-Machinery used in the production & exhibition of cinematograph films (NESD)	20%	7.07%	..	..	..	..
(a) Recording equipment, reproducing equipment, developing machines, printing machines, editing machines, synchronisers & studio lights except bulbs	20%	7.07%	..	..	..	..
(b) Projecting equipment of film exhibiting concerns	-do-	-do-	..	..	..	..
<b>2. Cycles (NESD)</b>	<b>20%</b>	<b>7.07%</b>	..	..	..	..
3. Electrical Machinery, X-ray & electro- therapeutic apparatus & accessories thereto, medical, diagnostic equipments, namely, Cat-scan, Ultrasound Machines, ECG Monitors etc. (NESD)	20%	7.07%	..	..	..	..
4. Juice boiling pairs (karhais) (NESD)	20%	7.07%	..	..	..	..
<b>5. Motor-cars, motor cycles, scooters &amp; other mopeds (NESD)</b>	<b>25.89%</b>	<b>9.5%</b>	..	..	..	..
6. Electrically operated vehicles including battery powered or fuel call powered vehicles (NESD)	20%	7.07%	..	..	..	..
7. Sugarcane crushers (indigenous kolus & belans) (N.E.S.D.)	20%	7.07%	..	..	..	..
8. Glass manufacturing concerns except direct fire glass melting furnaces - Recuperative & regenerative glass melting furnaces	20%	7.07%	30%	11.31%	40%	16.21%
9. Machinery used in the manufacture of electronic goods & components.	15.62%	5.38%	23.42%	8.46%	31.23%	11.87%

B. 1. Aeroplanes, Aero Engines, Simulators, Visual System & Quick Engine Change Equipment (NESD)	16.2%	5.6%				
2. Concrete pipes manufacture Moulds (NESD)	30%	11.31%	..	..	..	..
3. Drum container manufacture dies (NESD)	-do-	-do-	..	..	..	..
4. Earth-moving machinery employed in heavy construction works, such as dams, tunnels, canals, etc. (NESD)	-do-	-do-	..	..	..	..
5. Glass manufacturing concerns expect direct fire glass melting furnaces Moulds (NESD)	-do-	-do-	..	..	..	..
6. Moulds in iron foundaries (NESD)	-do-	-do-	..	..	..	..
7. Mineral oil concerns Field operations (above ground) Portable boilers drilling tools, well-head tanks, rigs, etc. (NESD)	-do-	-do-	..	..	..	..
8. Mines & quarries-Portable underground machinery & earth moving machinery used in open cast mining (NESD)	-do-	-do-	..	..	..	..
<b>9. Motor buses &amp; motor lorries other than those used in a business of running them on hire (NESD)</b>	<b>30%</b>	<b>11.31%</b>	..	..	..	..
9A. Motor tractors, harvesting combines (NESD)	-do-	-do-	..	..	..	..
10. Patterns, dies & templates (NESD)	-do-	-do-	..	..	..	..
11. Ropeway structures-Ropeways, ropes & trestle sheaves & connected parts (NESD)	-do-	-do-	..	..	..	..
12. Shoe & other leather goods factories-Wooden lasts used in the manufacture of shoes.	30%	11.31%	45%	18.96%	60%	29.05%
C. [Omitted]						
2. Motor buses, motor lorries & motor taxies used in a business of running them on hire (NESD)	40%	16.21%	..	..	..	..
3. Rubber & plastic goods factories Moulds (NESD)	-do-	-do-	..	..	..	..
<b>4. Data processing machines including computers (NESD)</b>	<b>-do-</b>	<b>-do-</b>	..	..	..	..
5. Gas cylinders including valves & regulators (NESD)	-do-	-do-	..	..	..	..
D. 1. Artificial silk manufacturing machinery wooden parts	100	100	..	..	..	..
2. Cinematograph films Bulbs of studio lights	-do-	-do-	..	..	..	..
3. Flour mills Rollers	-do-	-do-	..	..	..	..
4. Glass manufacturing concerns Direct fire glass melting furnaces	100	100%	..	..	..	..
4A. Float Glass Melting Furnaces (NESD)	27%	10%	..	..	..	..

5. Iron & Steel industries Rolling mill rolls	100%	100%	..	..	..	..
6. Match factories Wooden match frames	-do-	-do-	..	..	..	..
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 & fittings	100%	100%	..	..	..	..
8. Mines & quarries – (a) Tubs, winding ropes, haulage ropes & s&y stowing pipes (b) Safety lamps	-do-	-do-	..	..	..	..
9. Salt works – Salt pans, reservoirs & condensers, etc., made of earthy, s&y or clay material or any other similar material	-do-	-do-	..	..	..	..
10. Sugar works Rollers	-do-	-do-	..	..	..	..
<b>III. Furniture &amp; fittings</b>						
<b>1. General Rates (NESD)</b>	<b>18.1</b>	<b>6.33</b>	..	..	..	..
2. Rate for furniture & fittings used in hotels, restaurants & boarding houses; schools, colleges & other educational institutions, libraries; welfare centres; meeting halls, cinema houses; theatres & circuses; & for furniture & fittings let out on hire for use on the occasion of marriages & similar functions. (NESD)	25.88%	9.5%	..	..	..	..
<b>IV. Ships</b>						
1. Ocean-going ships -						
(i) Fishing vessels with wooden hull (NESD)	27.05%	10%	..	..	..	..
(ii) Dredgers, tugs, barges, survey launches & other similar ships used mainly for dredging purposes (NESD)	19.8%	7%	..	..	..	..
(iii) Other ships (NESD)	14.6%	5%	..	..	..	..
2. Vessels ordinarily operating on inland waters -						
(i) Speed boats (NESD)	20%	7.07%	..	..	..	..
(ii) Other vessels (NESD)	10%	3.34%	..	..	..	..

Notes -

- "buildings" include roads, bridges, culverts, wells & tube-wells.
- "factory buildings" does not include offices, godowns, officers & employees' quarters, roads, bridges, culverts, wells & tube-wells.
- "speed boat" means a motor boat driven by a high speed internal combustion engine capable of propelling the boat at a speed exceeding 24 Kilometers per hour in still water & 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.

5. The following information should also be disclosed in the accounts:

(i) depreciation methods used; &

(ii) depreciation rates or the useful lives of the assets, if they are different from the principal rates specified in the Schedule.

6. The calculations of the extra depreciation for double shift working & 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 -

(a) 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;

(b) 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 "N.E.S.D." (meaning "No Extra Shift Depreciation") against it in sub-items above & also in respect of the following items of machinery & plant to which the general rate of depreciation of 13.91 per cent applies-

(1) Accounting machines.

(2) Air-conditioning machinery including room air-conditioners.

(3) Building contractor's machinery.

(4) Calculating machines.

(5) Electrical machinery - switchgear & instruments, transformers & other stationary plant & wiring & fitting of electric light & fan installations.

(6) Hydraulic works, pipelines & sluices

(7) Locomotives, rolling stocks, tramways & railways used by concerns, excluding railway concerns.

(8) Mineral oil concerns - field operations:

(a) [Omitted]

(b) Prime movers.

(c) [Omitted]

(d) Storage tanks (above ground).

(e) Pipelines (above ground).

(f) Jetties & dry docks.

(9) Mineral oil concerns - field operations (distribution) - kerbside pumps, including underground tanks & fittings.

(10) Mineral oil concerns - refineries:

(a) [Omitted]

(b) Prime movers.

(c) [Omitted]

- (d) LPG Plant
- (11) Mines & quarries:
  - (a) Surface & underground machinery (other than electrical machinery & portable underground machinery).
  - (b) Head-gears.
  - (c) Rails.
  - (d) [Omitted]
  - (e) Shafts & inclines.
  - (f) Tramways on the surface.
- (12) Neo-post franking machines.
- (13) Office machinery
- (14) Overhead cables & wires.
- (15) Railway sidings.
- (16) Refrigeration plant containers, etc. (other than racks).
- (17) Ropeway structures:
  - (a) Trestle & station steel work.
  - (b) Driving & tension gearing.
- (18) Salt works - Reservoirs, condensers, salt pans, delivery channels & piers if constructed of masonry, concrete, cement, asphalt or similar materials; barges & floating plant; piers, quays & jetties; & pipelines for conveying brine if constructed of masonry, concrete, cement, asphalt or similar materials.
- (19) Surgical instruments.
- (20) Tramways electric & tramways run by internal combustion engines - permanent way: cars - car trucks, car bodies, electrical equipment & motors; tram cars including engines & gears.
- (21) Typewriters.
- (22) Weighing machines.
- (23) Wireless apparatus & gear, wireless appliances & accessories.
- (24) [Omitted]

7. "Continuous process plant" means a plant which is required & designed to operate 24 hours a day.

8. Notwithstanding anything mentioned in this Schedule depreciation on assets, whose actual cost does not exceed five thousand rupees, shall be provided depreciation at the rate of hundred per cent:

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