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# Depreciation Rates under Income Tax

Block-wise depreciation rates for CA Inter. Additional depreciation rules and Companies Act comparison.

AY 2026-27

WDV Method

## Building

Asset	Rate
Residential buildings (non-business)	5%
Buildings used for business/profession	10%
Buildings for cold storage, hotels, etc.	10%
Temporary wooden structures	40%

## Furniture & Fittings

Asset	Rate
Furniture and fittings	10%
Electrical fittings	10%

## Plant & Machinery (15%)

Asset	Rate
General plant and machinery	15%
Ships, vessels	15%

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## Plant & Machinery (30%)

Asset	Rate
Motor buses, lorries, taxis (commercial)	30%
Motor cars (not for hire)	15%
Moulds used in rubber/plastic	30%
Air pollution control equipment	40%

## Plant & Machinery (40%)

Asset	Rate
Computers and software	40%
Energy saving devices	40%
Books (annual publications)	40%

## Intangible Assets

Asset	Rate
Know-how, patents, copyrights	25%
Trademarks, licenses	25%
Franchises	25%

## Additional Depreciation (Section 32(1)(ia))

Condition	Rate	Note
New plant & machinery (manufacturing)	20%	In addition to normal depreciation

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Acquired and installed after 31.3.2005	<b>20%</b>	Not for office/residential/cars/ships
New manufacturing unit in backward area	<b>35%</b>	Additional depreciation for specified states

### Key WDV Rules

- Depreciation calculated on Written Down Value (WDV)
- Full depreciation if asset used for 180+ days
- Half depreciation if asset used for <180 days
- Block of assets concept - individual asset tracking not required
- No depreciation on land
- Sale value deducted from block WDV
- Short-term capital gain if block WDV becomes negative

## Companies Act 2013 Rates (Schedule II)

Asset	SLM	WDV
Factory buildings	3.34%	<b>10%</b>
Non-factory buildings	1.63%	<b>5%</b>
Plant & Machinery (general)	4.75%	<b>15%</b>
Computers	16.21%	<b>40%</b>
Furniture & fittings	6.33%	<b>15%</b>
Vehicles	9.50%	<b>30%</b>
Software	16.21%	<b>40%</b>

**Note:** Companies Act uses useful life approach. Rates above are indicative based on useful life.

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