

RBI/2005-06/ 276

RPCD.CO.RF.BC.No. 62 /07.40.06/2005-06

January 19, 2006

All State Co-operative Banks (SCBs) and
District Central Co-operative Banks (DCCBs)

Dear Sir,

Charging of depreciation on computers – Method and rate thereof

As you are aware, NABARD has already issued a circular (ref.no. NB.IDD.COOP. (ST) Pol./282/V.20/2004-05 dated July 01, 2004) regarding charging of depreciation on computers.

2. It is reiterated that all SCBs / DCCBs should continue to charge depreciation on computers on a straight-line method at the rate of 33.33 percent per annum. This would enable the banks to replace the outdated / obsolete computers and related hardware within a period of three years as in view of the rapid developments in technology, it is likely that the installed computers and related hardware may become outdated / obsolete within a short period, needing replacements / upgradations.

3. Please acknowledge receipt of this circular to our Regional Office concerned.

Yours faithfully,

(K. Bhattacharya)
General Manager