

Rates of depreciation (for income-tax)

AS APPLICABLE FROM THE ASSESSMENT YEAR 2003-04 ONWARDS

Block of assets [see para 48.3-3]	Depreciation allowance as percentage of written down value	
1	AYs 2003-04 to 2005-06	AY 2006-07 onwards
PART A		
TANGIBLE ASSETS		
I. BUILDING [See Notes 1 to 4 below the Table]		
(1) Buildings which are used mainly for residential purposes except hotels and boarding houses	5	5
(2) Buildings other than those used mainly for residential purposes and not covered by sub-items (1) above and (3) below	10	10
(3) Buildings acquired on or after the 1st day of September, 2002 for installing machinery and plant forming part of water supply project or water treatment system and which is put to use for the purpose of business of providing infrastructure facilities under clause (i) of sub-section (4) of section 80-IA	100	100
(4) Purely temporary erections such as wooden structures	100	100
II. FURNITURE AND FITTINGS		
Furniture and fittings including electrical fittings [See Note 5 below the Table]	15	10
III. MACHINERY AND PLANT		
(1) Machinery and plant other than those covered by sub-items (2), (3) and (8) below :	25 ^c	15^c
^a (2) Motor cars, other than those used in a business of running them on hire, acquired or put to use on or after the 1st day of April, 1990	20	15
(3) (i) Aeroplanes - Aeroengines	40	40
^b (ii) Motor buses, motor lorries and motor taxis used in a business of running them on hire	40	30
(iii) Commercial vehicle which is acquired by the assessee on or after the 1st day of October, 1998, but before the 1st day of April, 1999 and is put to use for any period before the 1st day of April, 1999 for the purposes of		

a. Jeeps are classifiable as motor cars - *Crompton Engg. Co. (Madras) Ltd. v. CIT* [1992] 193 ITR 483 (Mad.)/ *CAIT v. Good Hope Enterprises* [1992] 197 ITR 236 (Ker.).

b. Trucks primarily used for assessee's own business and occasionally let out on hire will not fall under this entry unless assessee carries on a business of running them on hire - *CIT v. Manjeet Stone Co.* [1991] 190 ITR 183 (Raj.); Vehicles plying between fixed points for carriage of passengers fall under this entry - *ITO v. Sarojini Transports (P.) Ltd.* [1986] 17 ITD 1014 (Mad.); Mobile crane mounted on a lorry falls under this entry - *Gujco Carriers v. CIT* [2002] 122 Taxman 206 (Guj.); Rigs and Compressors mounted on a lorry do not fall under this item - *CIT v. Popular Borewell Service* [1992] 194 ITR 12 (Mad.); Motor vans are akin to motor lorries or motor buses - *Circular No. 609, dated 29-7-1991/CIT v. Kodak Ltd.* [1990] 181 ITR 275 (Bom.); Ambulance van falls under this entry - *CIT v. Dr. K.R. Jayachandran* [1995] 212 ITR 637 (Ker.); Air-conditioned vehicles fall under this entry - *CIT v. Smt. Urmila Goel* [1986] 52 CTR (Delhi) 276.

c. 40 per cent if conditions of rule 5(2) are satisfied.

1	2	3
business or profession in accordance with the third proviso to clause (ii) of sub-section (1) of section 32 [See Note 6 below the Table]	40	40
(iv) New commercial vehicle which is acquired on or after the 1st day of October, 1998, but before the 1st day of April, 1999 in replacement of condemned vehicle of over 15 years of age and is put to use for any period before the 1st day of April, 1999 for the purposes of business or profession in accordance with the third proviso to clause (ii) of sub-section (1) of section 32 [See Note 6 below the Table]	60	60
(v) New commercial vehicle which is acquired on or after the 1st day of April, 1999 but before the 1st day of April, 2000 in replacement of condemned vehicle of over 15 years of age and is put to use before the 1st day of April, 2000 for the purposes of business or profession in accordance with the second proviso to clause (ii) of sub-section (1) of section 32 [See Note 6 below the Table]	60	60
(vi) New commercial vehicle which is acquired on or after the 1st day of April, 2001 but before the 1st day of April, 2002 and is put to use before the 1st day of April, 2002 for the purposes of business or profession [See Note 6 below the Table]	50	50
^d (vii) Moulds used in rubber and plastic goods factories	40	30
(viii) Air pollution control equipment, being—		
(a) Electrostatic precipitation systems		
(b) Felt-filter systems		
(c) Dust collector systems		
(d) Scrubber-counter current/venturi/packed bed/cyclonic scrubbers		
(e) Ash handling system and evacuation system	100	100
(ix) Water pollution control equipment, being—		
(a) Mechanical screen systems		
(b) Aerated detritus chambers (including air compressor)		
(c) Mechanically skimmed oil and grease removal systems		
(d) Chemical feed systems and flash mixing equipment		
(e) Mechanical flocculators and mechanical reactors		
(f) Diffused air/mechanically aerated activated sludge systems		
(g) Aerated lagoon systems	100	100
(h) Biofilters		
(i) Methane-recovery anaerobic digester systems		
(j) Air floatation systems		
(k) Air/steam stripping systems		
(l) Urea Hydrolysis systems		
(m) Marine outfall systems		
(n) Centrifuge for dewatering sludge		
(o) Rotating biological contractor or bio-disc		
(p) Ion exchange resin column		
(q) Activated carbon column		
(x) (a) Solidwaste control equipments being - caustic/lime/chrome/mineral/cryolite recovery systems	100	100
(b) Solidwaste recycling and resource recovery systems		
(xi) Machinery and plant, used in semi-conductor industry covering all integrated circuits (ICs) (excluding hybrid integrated circuits) ranging from		

d. Company manufacturing insulated wires and cables is not covered under this entry - *CIT v. Falcon Wires (P.) Ltd.* [1980] 123 ITR 427 (Mad.).

1	2	3
small scale integration (SSI) to large scale integration/very large scale integration (LSI/VLSI) as also discrete semi-conductor devices such as diodes, transistors, thyristors, triacs, etc., other than those covered by entries (viii), (ix) and (x) of this sub-item and sub-item (8) below	40	30
(xia) Life saving medical equipment, being—		
(a) D.C. Defibrillators for internal use and pace makers	40†	40
(b) Haemodialysors		
(c) Heart lung machine		
(d) Cobalt Therapy Unit		
(e) Colour Doppler		
(f) SPECT Gamma Camera		
(g) Vascular Angiography System including Digital subtraction Angiography		
(h) Ventilator used with anaesthesia apparatus		
(i) Magnetic Resonance Imaging System		
(j) Surgical Laser		
(k) Ventilators other than those used with anaesthesia		
(l) Gamma knife		
(m) Bone Marrow Transplant Equipment including silastic long standing intravenous catheters for chemotherapy		
(n) Fibreoptic endoscopes including Paediatric resectoscope/audit resectoscope, Peritoneoscopes, Arthroscope, Microlaryngoscope, Fibreoptic Flexible Nasal Pharyngo Bronchoscope, Fibreoptic Flexible Laryngo Bronchoscope, Video Laryngo Bronchoscope and Video Oesophago Gastroscopy, Stroboscope, Fibreoptic Flexible Oesophago Gastroscopy		
(o) Laparoscope (single incision)		
(4) Containers made of glass or plastic used as re-fills	50	50
(5) Computers including computer software [See note 7 below the Table]	60	60
(6) Machinery and plant, used in weaving, processing and garment sector of textile industry, which is purchased under TUFS on or after the 1st day of April, 2001 but before the 1st day of April, 2004 and is put to use before the 1st day of April, 2004 [See Note 8 below the Table]	50	50
(7) Machinery and plant, acquired and installed on or after the 1st day of September, 2002 in a water supply project or a water treatment system and which is put to use for the purpose of business of providing infrastructure facility under clause (i) of sub-section (4) of section 80-IA [See Notes 4 and 9 below the Table]	100	100
(8) (i) Wooden parts used in artificial silk manufacturing machinery ^e	100	100
(ii) Cinematograph films - bulbs of studio lights	100	100
(iii) Match factories - Wooden match frames	100	100
(iv) Mines and quarries :		
(a) Tubs, winding ropes, haulage ropes and sand stowing pipes	100	100
(b) Safety lamps		
(v) Salt works - Salt pans, reservoirs and condensers, etc., made of earthy, sandy or clayey material or any other similar material	100	100
(vi) Flour mills - Rollers	80	80
(vii) Iron and steel industry - Rolling mill rolls	80	80
(viii) Sugar works - Rollers	80	80

e. Machinery used for dyeing, bleaching and printing of cloth manufactured by some other person will not fall under this item - *CIT v. Jaypee Dyeing House* [1999] 239 ITR 418 (Bom.).

†Applicable from the assessment year 2004-05.

1	2	3
(ix) Energy saving devices, being—		
A. Specialised boilers and furnaces:		
(a) Ignifluid/fluidized bed boilers	80	80
(b) Flameless furnaces and continuous pusher type furnaces		
(c) Fluidized bed type heat treatment furnaces		
(d) High efficiency boilers (thermal efficiency higher than 75 per cent in case of coal fired and 80 per cent in case of oil/gas fired boilers)		
B. Instrumentation and monitoring system for monitoring energy flows:		
(a) Automatic electrical load monitoring systems	80	80
(b) Digital heat loss meters		
(c) Micro-processor based control systems		
(d) Infra-red thermography		
(e) Meters for measuring heat losses, furnace oil flow, steam flow, electric energy and power factor meters		
(f) Maximum demand indicator and clamp on power meters		
(g) Exhaust gases analyser		
(h) Fuel oil pump test bench		
C. Waste heat recovery equipment:		
(a) Economisers and feed water heaters	80	80
(b) Recuperators and air pre-heaters		
(c) Heat pumps		
(d) Thermal energy wheel for high and low temperature waste heat recovery		
D. Co-generation systems:		
(a) Back pressure pass out, controlled extraction, extraction-cum-condensing turbines for co-generation along with pressure boilers	80	80
(b) Vapour absorption refrigeration systems		
(c) Organic rankine cycle power systems		
(d) Low inlet pressure small steam turbines		
E. Electrical equipment:		
(a) Shunt capacitors and synchronous condenser systems	80	80
(b) Automatic power cut off devices (relays) mounted on individual motors		
(c) Automatic voltage controller		
(d) Power factor controller for AC motors		
(e) Solid state devices for controlling motor speeds		
(f) Thermally energy-efficient stenters (which require 800 or less kilocalories of heat to evaporate one kilogram of water)		
(g) Series compensation equipment		
(h) Flexible AC Transmission (FACT) devices - Thyristor controlled series compensation equipment		
(i) Time of Day (ToD) energy meters		
(j) Equipment to establish transmission highways for National Power Grid to facilitate transfer of surplus power of one region to the deficient region		
(k) Remote terminal units/intelligent electronic devices, computer hardware/software, router/bridges, other required equipment and associated communication systems for supervisory control and data acquisition systems, energy management systems and distribution management systems for power transmission systems		
(l) Special energy meters for Availability Based Tariff (ABT)		

1	2	3
F. Burners:		
(a) 0 to 10 per cent excess air burners	80	80
(b) Emulsion burners		
(c) Burners using air with high pre-heat temperature (above 300°C)		
G. Other equipment:		
(a) Wet air oxidation equipment for recovery of chemicals and heat	80	80
(b) Mechanical vapour recompressors		
(c) Thin film evaporators		
(d) Automatic micro-processor based load demand controllers		
(e) Coal based producer gas plants		
(f) Fluid drives and fluid couplings		
(g) Turbo charges/super-charges		
(h) Sealed radiation sources for radiation processing plants		
^f (x) Gas cylinders including valves and regulators	80	60
(xi) Glass manufacturing concerns - Direct fire glass melting furnaces	80	60
^g (xii) Mineral oil concerns:		
(a) Plant used in field operations (above ground) distribution - Returnable packages	80	60
(b) Plant used in field operations (below ground), but not including kerbside pumps including underground tanks and fittings used in field operations (distribution) by mineral oil concerns		
(xiii) Renewal energy devices being—		
(a) Flat plate solar collectors	80	80
(b) Concentrating and pipe type solar collectors		
(c) Solar cookers		
(d) Solar water heaters and systems		
(e) Air/gas/fluid heating systems		
(f) Solar crop driers and systems		
(g) Solar refrigeration, cold storages and air-conditioning systems		
(h) Solar steels and desalination systems		
(i) Solar power generating systems		
(j) Solar pumps based on solar-thermal and solar-photovoltaic conversion		
(k) Solar-photovoltaic modules and panels for water pumping and other applications		
(l) Windmills and any specially designed devices which run on wind-mills		
(m) Any special devices including electric generators and pumps running on wind energy		
(n) Biogas plant and biogas engines		
(o) Electrically operated vehicles including battery powered or fuel-cell powered vehicles		
(p) Agricultural and municipal waste conversion devices producing energy		
(q) Equipment for utilising ocean waste and thermal energy		
(r) Machinery and plant used in the manufacture of any of the above sub-items		

- f. Mere fact that assessee sold some cylinders during the previous year will not convert the cylinders into stock-in-trade. The cylinders must be capable of containing gas, and there is no requirement that the cylinders must be filled with gas - *Chawla Architects & Consultants (P.) Ltd. v. Asstt. CIT* [1995] 54 ITD 330 (Bom.).
- g. Petroleum company distributing gas for cooking purpose is a 'mineral oil concern'—*CIT v. Burmah Shell Oil Storage & Distribution Co. of India Ltd.* [1978] 115 ITR 891 (Cal.); Vegetable oil is not a 'mineral oil' - *CIT v. Distillers Trading Corporation Ltd.* [1982] 137 ITR 894 (Delhi).

1	2	3
(9) (i) Books owned by assessee carrying on a profession—		
(a) Books, being annual publications	100	100
(b) Books, other than those covered by entry (a) above	60	60
(ii) Books owned by assessee carrying on business in running lending libraries	100	100
IV. SHIPS		
(1) Ocean-going ships including dredgers, tugs, barges, survey launches and other similar ships used mainly for dredging purposes and fishing vessels with wooden hull	25	20
(2) Vessels ordinarily operating on inland waters, not covered by sub-item (3) below	25	20
(3) Vessels ordinarily operating on inland waters being speed boats [See Note 10 below the Table]	25	20
<u>PART B</u> INTANGIBLE ASSETS		
Know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature	25	25

Notes:

1. "Buildings" include roads, bridges, culverts, wells and tubewells.
2. A building shall be deemed to be a building used mainly for residential purposes, if the built-up floor area thereof used for residential purposes is not less than sixty-six and two-third per cent of its total built-up floor area and shall include any such building in the factory premises.
3. In respect of any structure or work by way of renovation or improvement in or in relation to a building referred to in *Explanation 1* of clause (ii) of sub-section (1) of section 32, the percentage to be applied will be the percentage specified against sub-item (1) or (2) of item I as may be appropriate to the class of building in or in relation to which the renovation or improvement is effected. Where the structure is constructed or the work is done by way of extension of any such building, the percentage to be applied would be such percentage as would be appropriate, as if the structure or work constituted a separate building.
4. Water treatment system includes system for desalination, demineralisation and purification of water.
5. "Electrical fittings" include electrical wiring, switches, sockets, other fittings and fans, etc.
6. "Commercial vehicle" means "heavy goods vehicle", "heavy passenger motor vehicle", "light motor vehicle", "medium goods vehicle" and "medium passenger motor vehicle" but does not include "maxi-cab", "motor-cab", "tractor" and "road-roller". The expressions "heavy goods vehicle", "heavy passenger motor vehicle", "light motor vehicle", "medium goods vehicle", "medium passenger motor vehicle", "maxi-cab", "motor-cab", "tractor" and "road-roller" shall have the meanings respectively as assigned to them in section 2 of the Motor Vehicles Act, 1988 (59 of 1988).
7. "Computer software" means any computer programme recorded on any disc, tape, perforated media or other information storage device.
8. "TUFSS" means Technology Upgradation Fund Scheme announced by the Government of India in the form of a Resolution of the Ministry of Textiles vide No. 28/1/99-CTI of 31-3-1999.
9. Machinery and plant includes pipes needed for delivery from the source of supply of raw water to the plant and from the plant to the storage facility.
10. "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 and so designed that when running at a speed, it will plane, i.e., its bow will rise from the water.

AS APPLICABLE FOR THE ASSESSMENT YEARS 1988-89 TO 2002-03

<i>Block of assets</i> [See para 48.3-3]	<i>Depreciation allowance as percentage of written down value</i>
<i>1</i>	<i>2</i>
A. TANGIBLE ASSETS	
I. Buildings (See Notes 1 to 3)	
[1] Buildings other than those covered by sub-item (3) below which are used mainly for residential purposes	5
[2] Buildings which are not used mainly for residential purposes and which are not covered by sub-item (3) below	10
[3] (i) Buildings used as hotels	20
(ii) Buildings with dwelling units each with plinth area not exceeding 80 square metres ²	20
(iii) New Buildings, other than the buildings covered under entry (ii) of this item with dwelling units each with plinth area not exceeding 80 square metres acquired on or after April 1, 1999 but before April 1, 2002	40
[4] Purely temporary erections such as wooden structures	100
II. Furniture and fittings	
[1] Rate applicable to furniture and fittings not covered by sub-item (2) below	10
[2] 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 circuses; and furniture and fittings let out on hire for use on the occasion of marriages and similar functions	15
III. Machinery and plant⁴	
[1] Machinery and plant other than those covered by sub-items (1A), (2) and (3) below	25 ^h
[1A] Motor cars, other than those used in a business of running them on hire, acquired or put to use on or after 1st day of April, 1990	20

1. "Buildings" include roads, bridges, culverts, wells and tubewells.

2. A building shall be deemed to be building used mainly for residential purposes if the built-up floor area thereof used for residential purposes is not less than 66 $\frac{2}{3}$ per cent of its total built-up floor area.

3. In respect of any structure or work by way of renovation or improvement in or in relation to a building referred to in *Explanation 1* of clause (ii) of section 32(1), the percentage to be applied will be the percentage specified against sub-item (1), (2) or (3) of item I as may be appropriate to the class of building in or in relation to which the renovation or improvement is effected. Where, however, the structure is constructed or the work is done by way of extension of any such building, the percentage to be applied would be such percentage as would be appropriate, as if the structure or work constituted a separate building.

4. Extra-shift allowance is not available from the assessment year 1988-89 onwards.

h. For the assessment years 1988-89 to 1991-92, 33.33 per cent. Moreover, if the following conditions are satisfied, then plant and machinery shall be treated as a part of block of assets qualifying for depreciation at the rate of 40 per cent (50 per cent for the assessment years 1988-89 to 1991-92) [by virtue of rule 5(2)]:

- New machinery or plant is installed during the previous year relevant to the assessment year 1988-89 (or any subsequent year), for the purposes of business of manufacture or production of any article or thing (not being any article or thing specified in the Eleventh Schedule).
- Such article or thing is manufactured or produced by using any technology (including any process) or other know-how developed in (or is an article or thing invented in) a laboratory owned or financed by the Government or a laboratory owned by a public sector company or a University or an institution recognised in this behalf by the Secretary, Department of Scientific and Industrial Research, Government of India.
- The right to use such technology (including any process) or other know-how or to manufacture or produce such article or thing has been acquired from the owner of such laboratory or any person deriving title from such owner.
- The return furnished by the assessee for any previous year in which the said machinery or plant is acquired, shall be accompanied by certificate from the Secretary, Department of Scientific and Industrial Research, Government of India, to the effect that such article or thing is manufactured or produced by using such technology (including any process) or other know-how developed in such laboratory or is an article or thing invented in such laboratory.

1	2
[2] (i) Aeroplanes - Aeroengines	40 ^k
(ii) Motor buses, motor lorries and motor taxis used in a business of running them on hire ^l	40 ^k
(iia) Commercial vehicle ⁱ which is acquired by the assessee on or after the 1st day of October, 1998 but before the 1st day of April, 1999 and is put to use for any period before the 1st day of April, 1999 for the purposes of business or profession in accordance with the third proviso to clause (ii) of sub-section (1) of section 32	40%
(iib) New commercial vehicle ⁱ which is acquired on or after the 1st day of October, 1998 but before the 1st day of April, 1999 in replacement of condemned vehicle of over 15 years of age and is put to use for any period before the 1st day of April, 1999 for the purposes of business or profession in accordance with the third proviso to clause (ii) of sub-section (1) of section 32	60%
(iic) New commercial vehicle ⁱ which is acquired on or after the 1st day of April, 1999 but before the 1st day of April, 2000 in replacement of condemned vehicle of over 15 years of age and is put to use before the 1st day of April, 2000 for the purposes of business or profession in accordance with the second proviso to clause (ii) of sub-section (1) of section 32	60%
(iid) New commercial vehicle which is acquired on or after the 1st day of April, 2001 but before the 1st day of April, 2002 and is put to use before the 1st day of April, 2002 for the purposes of business or profession (applicable from the assessment year 2002-03)	50
(iii) Moulds used in rubber and plastic goods factories	40 ^k
(iv) Air pollution control equipments, being—	
(a) Electrostatic precipitation systems,	
(b) Felt-filter systems,	
(c) Dust collector systems,	
(d) Scrubber-counter current/venturi/packed-bed/cyclonic scrubbers, ^k	
(e) Ash handling system and evacuation system (from the assessment year 1994-95)	100 ^l
(v) Water pollution control equipments, being—	
(a) Mechanical screen systems,	
(b) Aerated detritus chambers (including air compressor),	
(c) Mechanically skimmed oil and grease removal systems,	
(d) Chemical feed systems and flash mixing equipment,	
(e) Mechanical flocculators and mechanical reactors,	
(f) Diffused air/mechanically aerated activated sludge systems,	
(g) Aerated lagoon systems,	
(h) Biofilters,	
(i) Methane-recovery anaerobic digester systems,	
(j) Air floatation systems,	
(k) Air/steam stripping systems,	
(l) Urea hydrolysis systems,	

i. "Commercial vehicle" means "heavy goods vehicle", "heavy passenger motor vehicle", "light motor vehicle", "medium goods vehicle" and "medium passenger motor vehicle" but does not include "maxi-cab", "motor-cab", "tractor" and "road-roller". The expressions "heavy goods vehicle", "heavy passenger motor vehicle", "light motor vehicle", "medium goods vehicle", "medium passenger motor vehicle", "maxi-cab", "motor-cab", "tractor" and "road-roller" shall have the meanings respectively as assigned to them in section 2 of the Motor Vehicles Act, 1988.

j. Higher depreciation will be admissible on motor lorries used in the assessee's business of transportation of goods on hire. The higher rate of depreciation, however, will not apply if the motor buses, motor lorries, etc., are used in some other non-hiring business of the assessee - Circular No. 652, dated June 14, 1993.

k. 50 per cent for the assessment years 1988-89 to 1991-92.

l. 50 per cent for the assessment years 1988-89 to 1991-92 and 40 per cent for the assessment years 1992-93 and 1993-94.

1	2
(m) Marine outfall systems,	
(n) Centrifuge for dewatering sludge,	
(o) Rotating biological contractor or bio disc,	
(p) Ion exchange resin Column,	
(q) Activated Carbon Column	100 ¹
(vi) (a) Solid waste control equipments, being - Caustic/lime/chrome/ mineral/cryolite recovery system	100 ¹
(b) Solid waste recycling and resource recovery systems (applicable from the assessment year 1994-95)	100
(vii) Machinery and plant, used in semi-conductor industry covering all inte- grated circuits (ICs) (Excluding hybrid integrated circuits) ranging from small scale integration (SSI) to large scale integration/very large scale integration (LSI/VLSI) as also discrete semi-conductor devices such as diodes, transistors, thyristors, triacs, etc., other than those covered by entries (iv), (v) and (vi) of this sub-item and sub-item (3) below [applicable from December 22, 1993]	40
[2A] Containers made of glass or plastic used as refills [applicable from the assessment year 1997-98]	50
[2B] Computers [applicable with effect from the assessment year 1999-2000]	60
[2C] Machinery and plant, used in weaving, processing and garment sector of textile industry, which is purchased under Technology Upgradation Fund Scheme on or after the 1st day of April, 2001 but before the 1st day of April, 2004 and is put to use before the 1st day of April, 2004 (applicable from the assessment year 2002-03)	50
[3] (i) Wooden parts used in artificial silk manufacturing machinery ...	100
(ii) Cinematograph films — bulbs of studio lights	100
(iii) Energy saving devices, being—	
A. Specialised boilers and furnaces :	
(a) Ignifluid/fluidized bed boilers	
(b) Flameless furnaces and continuous pusher type furnaces	
(c) Fluidized bed type heat treatment furnaces	
(d) High efficiency boilers (thermal efficiency higher than 75 per cent in case of coal fired and 80 per cent in case of oil/gas fired boilers)	100
B. Instrumentation and monitoring system for monitoring energy flows :	
(a) Automatic electrical load monitoring systems	
(b) Digital heat loss meters	
(c) Micro-processor-based control systems	
(d) Infrared thermography	
(e) Meters for measuring heat losses, furnace oil flow, steam flow, electric energy and power factor meters	
(f) Maximum demand indicator and clamp on power meters	
(g) Exhaust gases analyser	
(h) Fuel oil Pump test bench	100
C. Waste heat recovery equipments :	
(a) Economisers and feed water heaters	
(b) Recuperators and air pre-heaters	
(c) Heat pumps	
(d) Thermal energy wheel for high and low temperature waste heat recovery	100

1. 50 per cent for the assessment years 1988-89 to 1991-92 and 40 per cent for the assessment years 1992-93 and 1993-94.

1	2
D. Co-generation systems :	
(a) Back pressure pass out, controlled extraction, extraction-cum-condensing turbines for cogeneration along with pressure boilers	
(b) Vapour absorption refrigeration systems	
(c) Organic rankine cycle power systems	
(d) Low inlet pressure small steam turbines	100
E. Electrical equipments :	
(a) Shunt capacitors and synchronous condenser systems	
(b) Automatic power cut off devices (relays) mounted on individual motors	
(c) Automatic voltage controller	
(d) Power factor controller for A.C. motors	
(e) Solid state devices for controlling motor speeds	
(f) Thermally energy efficient stentors (which require 800 or less kilo calories of heat to evaporate one kilogram of water)	
... ..	100
F. Burners :	
(a) 0 to 10% excess air burners	
(b) Emulsion burners	
(c) Burners using air with high preheat temperature (above 300° C) ...	100
G. Other equipments :	
(a) Wet air oxidation equipment for recovery of chemicals and heat	
(b) Mechanical vapour recompressors	
(c) Thin film evaporators	
(d) Automatic micro-processor based load demand controllers	
(e) Coal based producer gas plants	
(f) Fluid drives and fluid couplings	
(g) Turbo charges/Super-charges	100
(iv) Flour mills - Rollers	100
(v) Gas cylinders including valves and regulators	100
(vi) Glass manufacturing concerns - Direct fire glass melting furnaces ...	100
(vii) Iron and steel industry - Rolling mill rolls	100
(viii) Match factories - Wooden match frames	100
(ix) Mineral oil concerns—	
(a) Plant used in field operations (above ground) Distribution Returnable packages	
(b) Plant used in field operations (below ground) but not including kerbside pumps including underground tanks and fittings used in field operations (distribution) by mineral oil concerns	100
(x) Mines and quarries :	
(a) Tubs, winding ropes, haulage ropes and sand stowing pipes	
(b) Safety lamps	100
(xi) Salt works - Salt pans, reservoirs and condensers, etc., made of earthy, sandy or clayey material or any other similar material	100
(xii) Sugar works - Rollers	100
(xiii) Renewal energy devices being—	
(a) Flat plate solar collectors	
(b) Concentrating and pipe type solar collectors	
(c) Solar cookers	
(d) Solar water heaters and systems	
(e) Air/gas/fluid heating systems	
(f) Solar crop driers and systems	

1	2
(g) Solar refrigeration, cold storages and air-conditioning systems	
(h) Solar steels and desalination systems	
(i) Solar power generating systems	
(j) Solar pumps based on solar thermal and solar photovoltaic conversion	
(k) Solar photovoltaic modules and panels for water pumping and other applications	
(l) Wind mills and any specially designed devices which run on wind mills	
(m) Any special devices including electric generators and pumps running on wind energy	
(n) Biogas plant and biogas engines	
(o) Electrically operated vehicles including battery powered or fuel-cell powered vehicles	
(p) Agricultural and municipal waste conversion devices producing energy	
(q) Equipment for utilising ocean waste and thermal energy	
(r) Machinery and plant used in the manufacture of any of the above sub-items	100
[4] Books owned by an assessee carrying on a profession or books owned by assessee carrying on business in running lending libraries (with effect from the assessment year 1996-97)	100
IV. Ships	
[1] Ocean-going ships including dredgers, tugs, barges, survey launches and other similar ships used mainly for dredging purposes and fishing vessels with wooden hull	25 ⁿ
[2] Vessels ordinarily operating on inland waters, not covered by sub-item 3 below	25 ^p
[3] Vessels ordinarily operating on inland waters being speed boats ^m ...	25 ⁿ
B. INTANGIBLE ASSETS (acquired after March 31, 1998)	
Know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature	25

m. "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 plain, *i.e.*, its bow will rise from the water.

n. 20 up to the assessment year 2001-02.

p. 10 up to the assessment year 2001-02.

***Depreciation rates for power generating units
(applicable from the assessment year 1998-99)***

<i>Class of assets</i>	<i>Depreciation allowance as percentage of actual cost</i>
(a) Plant and Machinery in generating stations including plant foundations :—	
(i) Hydro-electric	3.4
(ii) Steam electric NHRS & Waste heat recovery Boilers/plants	7.84
(iii) Diesel electric and Gas plant	8.24
(b) Cooling towers and circulating water systems	7.84
(c) Hydraulic works forming part of Hydro-electric system including :—	
(i) Dams, Spillways weirs, canals, reinforced concrete Flumes and syphons	1.95
(ii) Reinforced concrete pipelines and surge tanks steel pipelines, sluice gates, steel surge (tanks), Hydraulic control valves and other hydraulic works.	3.4
(d) Building and civil engineering works of permanent character, not mentioned above	
(i) Office & showrooms	3.02
(ii) Containing Thermo-electric generating plant	7.84
(iii) Containing Hydro-electric generating plant	3.4
(iv) Temporary erection such as wooden structures	33.4
(v) Roads other than Kutcha roads	3.02
(vi) Others	3.02
(e) Transformers, transformer (Kiosk) sub-station equipment & other fixed apparatus (including plant foundations)	
(i) Transformers (including foundations) having a rating of 100 kilo volt amperes and over	7.81
(ii) Others	7.84
(f) Switchgear including cable connections	7.84
(g) Lightning arrestor :	
(i) Station type	7.84
(ii) Pole type	12.77
(iii) Synchronous condenser	5.27
(h) Batteries	33.4
(i) Underground cable including joint boxes and disconnected boxes	5.27
(ii) Cable duct system	3.02
(i) Overhead lines including supports :	
(i) Lines on fabricated steel operating at nominal voltages higher than 66 kilo volts	5.27
(ii) Lines on steel supports operating at nominal voltages higher than 13.2 kilo volts but not exceeding 66 kilo volts	7.84
(iii) Lines on steel or reinforced concrete supports	7.84
(iv) Lines on treated wood supports	7.84
(j) Meters	12.77
(k) Self-propelled vehicles	33.40

<i>Class of assets</i>	<i>Depreciation allowance as percentage of actual cost</i>
(l) Air-conditioning plants :	
(i) Static	12.77
(ii) Portable	33.40
(m) (i) Office furniture and fittings	12.77
(ii) Office equipments	12.77
(iii) Internal wiring including fittings and apparatus	12.77
(iv) Street light fittings	12.77
(n) Apparatus let on hire	
(i) Other than motors	33.4
(ii) Motors	12.77
(o) Communication equipment :	
(i) Radio and high frequency carrier system	12.77
(ii) Telephone lines and telephones	12.77
(p) Any other assets not covered above	7.69

Rates of depreciation under Companies Act

SCHEDULE XIV

[See sections 205 and 350]

RATES OF DEPRECIATION

<i>Nature of assets</i>	<i>Single Shift</i>		<i>Double Shift</i>		<i>Triple Shift</i>	
	<i>WDV</i>	<i>SLM</i>	<i>WDV</i>	<i>SLM</i>	<i>WDV</i>	<i>SLM</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
I. (a) BUILDINGS (other than factory buildings) [NESD]	5%	1.63%	.....	.....	.....	.....
(b) FACTORY BUILDINGS	10%	3.34%	.....	.....	.....	.....
(c) PURELY TEMPORARY ERECTIONS such as wooden structures	100%	100%	.....	.....	.....	.....
II. PLANT AND MACHINERY						
¹ (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	13.91%	4.75%	20.87%	7.42%	27.82%	10.34%
(b) continuous process plant, ² [* * *] 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 and exhibition of cinematograph films [NESD]						
(a) Recording equipment, reproducing equipment, developing machines, printing machines, editing machines, synchronisers and studio lights except bulbs	20%	7.07%	.....	.....	.....	.....
(b) Projecting equipment of film exhibiting concerns						
2. Cycles [NESD]						
³ [3. Electrical machinery, X-ray and electro-therapeutic apparatus and accessories thereto, medical, diagnostic equipments, namely, cat-scan, ultrasound machines, ECG monitors, etc. [NESD]	20%	7.07%	.....	.....	.....	.....
4. Juice boiling pans (karhais) [NESD]	20%	7.07%	.....	.....	.....	.....

1. Substituted by GSR 756(E), dated December 16, 1993.

2. Words "other than those" omitted by Notification No. GSR 101(E), dated March 1, 1995.

3. Substituted by Notification No. GSR 101(E), dated March 1, 1995.

	1	2	3	4	5	6	7
5. Motor-cars, motor-cycles, scooters and other mopeds [NESD]		25.89%	9.5%	.....	.....	.....	.....
6. Electrically operated vehicles including battery powered or fuel cell powered vehicles [NESD]		20%	7.07%	.....	.....	.....	.....
7. Sugarcane crushers (indigenous kolhus and belans) [NESD]		20%	7.07%	.....	.....	.....	.....
8. Glass manufacturing concerns except direct fire glass melting furnaces - Recuperative and regenerative glass melting furnaces		20%	7.07%	30%	11.31%	40%	16.21%
9. Machinery used in the manufacture of electronic goods and components		15.62%	5.38%	23.42%	8.46%	31.23%	11.87%]
B. 1. ⁴ [Aeroplanes, aero engines, simulators, visual system and quick engine change equipment [NESD]		16.2%	5.6%]				
2. Concrete pipes manufacture—Moulds [NESD]							
3. Drum containers manufacture—Moulds [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]		30%	11.31%	.....	.....	.....	.....
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 those used in a business of running them on hire [NESD]							
9A. Motor tractors, harvesting combines [NESD]							
10. Patterns, dies and templates [NESD]							
11. Ropeway structures—Ropeways, ropes and trestle sheaves and connected parts [NESD]							
12. Shoe and other leather goods fabrics—Wooden lasts used in the manufacture of shoes		30%	11.31%	45%	18.96%	60%	29.05%

4. Substituted *vide* Notification No. GSR 788(E), dated November 4, 1994.

	1	2	3	4	5	6	7
C. 1. ⁵ [*** **]							
2. Motor buses, motor lorries and motor taxis used in a business of running them on hire [NESD]		40%	16.21%	.....	.....	.....	.....
3. Rubber and plastic goods factories—Moulds [NESD]							
4. Data processing machines including computers [NESD]		40%	16.21%	.....	.....	.....	.....
5. Gas cylinders including valves and regulators [NESD]							
D. 1. Artificial silk manufacturing machinery with wooden parts							
2. Cinematograph films—Bulbs of studio lights		100%	100%	.....	.....	.....	.....
3. Flour mills—Rollers							
4. Glass manufacturing concerns—Direct fire glass melting furnaces							
4A. Flot Glass Melting Furnaces (NESD)		27%	10%	.....	.....	.....	.....
5. Iron and Steel industries—Rolling mill rolls							
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		100%	100%	.....	.....	.....	.....
8. Mines and quarries— (a) Tubs, winding 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							
⁶ 1. General Rates [NESD]		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 circuses; and for furniture and fittings let out on hire for use on the occasion of marriages and similar functions [NESD]							

5. Omitted *vide* Notification No. GSR 788(E), dated November 4, 1994.

6. Substituted by GSR 756(E), dated December 16, 1993.

	1	2	3	4	5	6	7
IV. SHIPS							
1. Ocean-going ships—		25.88%	9.5%	.....	.....	.....	.....]
(i) Fishing vessels with wooden hull [NESD]							
(ii) Dredgers, tugs, barges, survey launches and other similar ships used mainly for dredging purposes [NESD]		27.05%	10%	.....	.....	.....	.....
(iii) Other ships [NESD]		19.8%	7%	.....	.....	.....	.....
2. Vessels ordinarily operating on inland waters—		14.6%	5%	.....	.....	.....	.....
(i) Speed boats [NESD]							
(ii) Other vessels [NESD]							
■ WDV means written down value.		20%	7.07%	.....	.....	.....	.....
■ SLM means straight line method.		10%	3.34%	.....	.....	.....	.....

NOTES

- “Buildings” include roads, bridges, culverts, wells and tube-wells.
- “Factory buildings” does not include offices, godowns, officers’ and employees’ quarters, roads, bridges, culverts, wells and 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 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 while 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—
 - 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;
 - 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 7[13.91] per cent applies—

 - Accounting machines.
 - Air-conditioning machinery including room air-conditioners.
 - Building contractor’s machinery.
 - Calculating machines.

7. Substituted for “15” by GSR 756(E), dated December 16, 1993.

- (5) Electrical machinery—switchgear and instruments, transformers and other stationary plant and wiring and fitting of electric light and fan installations.
- (6) Hydraulic works, pipelines and sluices.
- (7) Locomotives, rolling stocks, tramways and railways used by concerns, excluding railway concerns.
- (8) Mineral oil concerns—field operations :
 - (a) ⁸[* * *]
 - (b) Prime movers
 - (c) ⁸[* * *]
 - (d) Storage tanks (above ground)
 - (e) Pipelines (above ground)
 - (f) Jetties and dry docks
- (9) Mineral oil concerns—field operations (distribution)—kerbside pumps, including underground tanks and fittings.
- (10) Mineral oil concerns—refineries :
 - (a) ⁹[* * *]
 - (b) Prime movers
 - (c) ⁹[* * *]
 - ¹⁰[(d) LPG Plant]
- (11) Mines and quarries :
 - (a) Surface and underground machinery (other than electrical machinery and portable underground machinery)
 - (b) Head-gears
 - (c) Rails
 - (d) ⁹[* * *]
 - (e) Shafts and inclines
 - (f) Tramways on the surface
- (12) Neo-post franking machines.
- (13) Office machinery.
- (14) Overhead cables and wires.
- (15) Railway sidings.
- (16) Refrigeration plant container, etc. (other than racks).
- (17) Ropeway structures :
 - (a) Trestle and station steel work.
 - (b) Driving and tension gearing.
- (18) 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.
- (19) Surgical instruments.
- (20) 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.
- (21) Typewriters.
- (22) Weighing machines.

8. Omitted by GSR 756(E), dated December 16, 1993.

9. Omitted, *ibid*.

10. Inserted by GSR 416(E), dated May 14, 1993.

(23) Wireless apparatus and gear, wireless appliances and accessories.]

(24) ¹¹[* * *]

¹²[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 five thousand rupees, shall be provided at the rate of hundred per cent :]

¹³[**Provided** that where the aggregate actual cost of individual items of plant and machinery costing Rs. 5,000 or less constitutes more than 10 per cent of the total actual cost of plant and machinery, rates of depreciation applicable to such items shall be the rates as specified in Item II of the Schedule.]

11. Omitted by GSR 756(E), dated December 16, 1993.

12. Inserted, *ibid*.

13. Inserted by Notification No. GSR 101(E), dated March 1, 1995.