

**Rates of Depreciation for the assessment years 2006-07<sup>89</sup> & onwards:**

APPENDIX I

[See rule 5]

**TABLE OF RATES AT WHICH DEPRECIATION IS ADMISSIBLE**

Blocks of assets	Depreciation allowance as % of written down value	
	1	2
	ASSESSMENT YEAR	
	2018-19 & onwards	2006-07 to 2017-18
<b>PART A. TANGIBLE ASSETS</b>		
<b>I. BUILDING:</b> [see Notes 1 to 4 below this Table on page 115]		
(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 ..	40	100
(4) Purely temporary erections such as wooden structures .. .. .	40	100
<b>II. FURNITURE AND FITTINGS:</b>		
Furniture and fittings including electrical fittings [see Note 5 below this Table on page 115] .. ..	10	10
<b>III. Machinery and Plant:</b>		
(1) Machinery and plant other than those covered by sub-items (2), (3) and (8) below .. .. .	15	15
(2) 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 .. .. .	15	15
(3) (i) Aeroplanes—Aero engines .. .. .	40	40
(ii) Motor buses, motor lorries <sup>90</sup> and motor taxis used in a business of running them on hire	30	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 business or profession in accordance with the third proviso to clause (ii) of sub-section (1) of section 32 [see Note 6 below this Table on page 115] .. ..	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 this Table on page 115] .. .. .	40	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 this Table on page 115] .. .. .	40	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 1st day of April, 2002 for the purposes of business or profession [see Note 6 below this Table on page 115] .. .. .	40	50
<sup>91</sup> (via) New commercial vehicle which is acquired on or after the 1st day of January, 2009 but before the 1st day of April, 2009 <sup>91</sup> and is put to use before the 1st day of April, 2009 <sup>91</sup> for the purposes of business or profession [see paragraph 6 of the note below this Table on page 115] .. ..	40	<sup>91</sup> 50
(vii) Moulds used in rubber and plastic goods factories .. .. .	30	30
(viii) 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		
(e) Ash handling system and evacuation system	40	100
(ix) Water pollution control equipments, being—		
(a) Mechanical screen systems		
(b) Aerated detritus chambers (including air compressor)		
(c) Mechanically skimmed oil and grease removal systems		

89. Rates of depreciation @ '50%', '60%', '80%' & '100%' which were applicable upto assessment year 2017-18, have been substituted with '40%' in relation to assessment year 2018-19 and onwards [vide Income-tax (29th Amendment) Rules, 2016: 389 ITR (St.) 9]. Also refer para 34.2/3 of Circular No. 3, dt. 20-1-2017: 391 ITR (St.) 253-302.

90. The C.B.D.T. has clarified that "motor vans" are akin to "motor lorries" or "motor buses" and, therefore, higher rate of depreciation will be allowed on motor vans also, if they are used for providing transport services to tourist [Vide Circular No. 609, dt. 29-7-1991: 191 ITR (St.) 1]. Higher depreciation will also 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 motor lorries, motor buses, etc. are used in some other non-hiring business of the assessee [Vide Circular No. 652, dt. 14-6-1993: 202 ITR (St.) 55].

91. Item (via) inserted, w.e.f. 1-4-2009 (assessment year 2009-10 and onwards) [Vide Income-tax (Third Amendment) Rules, 2009: 308 ITR (St.) 67]. Date of 1st day of April, 2009 has been extended to 1st day of October, 2009, w.e.f. 1-4-2010 (assessment year 2010-11 and onwards) [Vide Income-tax (Eleventh Amendment) Rules 2009 : 312 ITR (St.) 330].

	ASSESSMENT YEAR	
	2018-19 & onwards	2006-07 to 2017-18
(d) Chemical feed systems and flash mixing equipment	40	100
(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		
(m) Marine outfall systems		
(n) Centrifuge for dewatering sludge		
(o) Rotating biological contactor or bio-disc		
(p) Ion exchange resin Column		
(q) Activated Carbon Column		
(x) (a) Solid waste control equipments, being – Caustic/lime/chrome/mineral/cryolite recovery systems,	40	100
(b) Solid waste 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 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 .. .. .	30	30
(xia) Life saving medical equipment, being —	40	40
(a) D. C. Defibrillators for internal use and pace makers		
(b) Haemodialysors		
(c) Heart lung machine		
(d) Cobalt therapy unit		
(e) Colour doppler		
(f) SPECT Gamma Camera		
(g) Vascular Angiography System including Digital Substraction Angiography		
(h) Ventilator used with anaesthesia apparatus		
(i) Magnetic Resonance Imaging System		
(j) Surgical Laser		
(k) Ventilator other than those used with anaesthesia		
(l) Gamma Knife		
(m) Bone Marrow Transplant Equipment including silastic long standing intravenous catheters for chemotherapy		
(n) Fibre optic 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 .. .. .	40	50
(5) Computers including computer software [see Note 7 below this Table on page 115] .. ..	40	60
(6) Machinery and plant, used in weaving, processing and garment sector of textile industry, which is purchased under the 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 this Table on page 115] ..	40	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 this Table on page 115]		
(8) (i) Wooden parts used in artificial silk manufacturing machinery	40	100
(ii) Cinematograph films — bulbs of studio lights		
(iii) Match factories — Wooden match frames		
(iv) Mines and quarries:		
(a) Tubs, winding ropes, haulage ropes and sand stowing pipes	40	80
(b) Safety lamps		
(v) Salt works — Salt pans, reservoirs and condensers, etc., made of earthy, sandy or clayey material or any other similar material		
(vi) Flour mills — Rollers	40	80
(vii) Iron and steel industry — Rolling mill rolls		
(viii) Sugar works — Rollers		

\* Refer footnote No. 89 on page 112.

	ASSESSMENT YEAR	
	2018-19 & onwards	2006-07 to 2017-18
(ix) 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)		
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) 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		
(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		
(b) Vapour absorption refrigeration systems		
(c) Organic rankine cycles power systems		
(d) Low inlet pressure small steam turbines		
E. Electrical equipment:		
(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 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)		
F. Burners:		
(a) 0 to 10 per cent. excess air burners		
(b) Emulsion burners		
(c) Burners using air with high pre-heat temperature (above 300° C)		
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		
(h) Sealed radiation sources for radiation processing plants		
(x) Gas cylinders including valves and regulators	40	80
(xi) Glass manufacturing concerns — Direct fire glass melting furnaces	40	60

\* Refer footnote No. 89 on page 112.

	ASSESSMENT YEAR	
	2018-19 & onwards	2006-07 to 2017-18
(xii) Mineral oil concerns:		
(a) Plant used in field operations (above ground) distribution-returnable packages	40	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		
<sup>91a</sup> (c) Oil wells not covered in clauses (a) and (b)	15	15
(xiii) Renewable energy devices being—		
(a) Flat plate solar collectors	40	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 airconditioning 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 <i>installed on or after 1-4-2014</i> <sup>92</sup>		
(m) Any special devices including electric generators and pumps running on wind energy <i>installed on or after 1-4-2014</i> <sup>92</sup>		
(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		
(9) (i) Books owned by assessee carrying on a profession—		
(a) Books, being annual publications .. .. .	40	100
(b) Books, other than those covered by entry (a) above .. .. .	40	60
(ii) Books owned by assessee carrying on business in running lending libraries .. .. .	40	100
<b>IV. SHIPS:</b>		
(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	20	20
(2) Vessels ordinarily operating on inland waters, not covered by sub-item 3 below		
(3) Vessels ordinarily operating on inland waters being speed boats (see Note 10 below)		
<b>PART B</b>		
<b>INTANGIBLE ASSETS</b>		
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 66<sup>2</sup>/<sub>3</sub>% 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 1 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. "TUFs" 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 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.

<sup>91a</sup> Entry (c) inserted w.e.f. 1-4-2016 (assessment year 2016-17 and onwards) [Vide Income-tax (Fourth Amendment) Rules, 2016: 382 ITR (St.) 36].

<sup>92</sup> For the words, figures and letters in italics "installed on or after 1-4-2014", read upto 15-9-2014, "installed on or before 31-3-2012" [Vide Income-tax (Eighth Amendment) Rules, 2014: 367 ITR (St.) 1].

\* Refer footnote No. 89 on page 112.