

RATES OF DEPRECIATION AS PER INCOME TAX ACT		
'APPENDIX I		IT ACT
[Effective from assessment year 2006-2007]		
[See rule 5]		
TABLE OF RATES AT WHICH DEPRECIATION IS ADMISSIBLE		
Block of Assets		Depreciation allowance as percentage of written down value
PART A		
TANGIBLE ASSETS		
I. BUILDING [See Notes 1 to 4 below this Table]		
1	Buildings which are used mainly for residential purposes except hotels and 5	5
2	Buildings other than those used mainly for residential purposes and not	10
3	Buildings acquired on or after the 1st day of September, 2002 for installing	100
4	Purely temporary erections such as wooden structures 100	100
II. FURNITURE AND FITTINGS		
	Furniture and fittings including electrical fittings 10 [See Note 5 below this Table]	10
III. MCHINERY AND PLANT		
1	Machinery and plant other than those covered by sub-items (2), (3) and (8)	15
2	Motor cars, other than those used in a business of running them on hire, 15	15
3	(i) Aeroplanes - Aeroengines 40	40
	(ii) Motor buses, motor lorries and motor taxis used in a	30
	(iii) Commercial vehicle which is acquired by the assessee on	40
	(iv) New commercial vehicle which is acquired on or after the	60
	(v) New commercial vehicle which is acquired on or after the	60
	(vi) New commercial vehicle which is acquired on or after the	50
	(vii) Moulds used in rubber and plastic goods factories	30
	(viii) Air pollution control equipment, being-	
	(a) Electrostatic precipitation systems	100
	(b) Felt-filter systems	
	(c) Dust collector systems	
	(d) Scrubber-counter current/venturi/packed bed/cyclonic scrubbers	
	(e) Ash handling system and evacuation system	
	(ix) Water pollution control equipment, being-	
	(a) Mechanical screen systems	100
	(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	
	(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 equipment being, - caustic/lime/chrome/mineral/cryolite recovery systems	100
	(b)	Solidwaste recycling and resource recovery systems	
	(xi)	Machinery and plant, used in semi-conductor industry	30
	(xia)	Life saving medical equipment, being -	
	(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 Subtraction 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	40
	(m)	Bone marrow Transplant Equipment including silastic long standing intervenous 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 Gastroscope, Stroboscope, Fibreoptic Flexible Oesophago Gastroscope	
	(o)	Laparoscope (single incision)	
4		Containers made of glass or plastic used as re-fills	50
5		Computers including computer software (See Note 7 below this Table)	60
6		Machinery and plant, used in weaving processing and garment sector of	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)	100
8	(i)	Wooden Parts used in artificial silk manufacturing	
	(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	100
	(b)	Safety lamps	
	(v)	Salt works	
	(vi)	Flour mills - Rollers	
	(vii)	Iron and steel industry - Rolling mill rolls	80
	(viii)	Sugar works - Rollers	
	(ix)	Energy saving devices, being	
		A. Specialised boilers and furnaces :	
		(a) Ignifluid/fluidized bed boilers	

(b) Flameless furnaces and continuous pusher type furnaces	80
(c) Fluidized bed type heart 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	80
(e) Meters for measuring heat losses, furnace oil flow, steam flow,	
(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 heart recovery	80
D. Co-generation systems :	
(a) Back pressure pass out, controlled extraction, extraction-cum-condensing	
(b) Vapour absorption refrigeration systems	
(c) Organic ranking cycle power systems	
(d) Low inlet pressure small steam turbines	80
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	
(g) Series compensation equipment	
(h) Flexible AC Transmission (FACT) devices - Thyristor controlled series	
(i) Time of Day (ToD) energy meters	
(j) Equipment to establish transmission highway for National Power Grid to	
(k) Remote terminal units/intelligent electronic devices, computer	
(l) Special energy meters for Availability Based Tariff (ABT)	80
F. Burners :	
(a) 0 to 10 per cent excess air burners	
(b) Emulsion burners	
(c) Burner using air with high pre-heat temperature (above 300°C)	80
G. Other equipment :	
(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	60
(xi) Glass manufacturing concerns - Direct fire glass melting furnaces	60
(xii) Mineral oil concerns :	
(a) Plant used in field operations (above ground) distribution - Returnable	
(b) Plant used in field operations (below ground), but not including kerbside	60
(xiii) Renewable 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	
(g) Solar refrigeration, cold storages and air conditioning systems	
(h) Solar steels and desalination systems	

	(i) Solar power generating systems	80
	(j) Solar pumps based on solar-thermal and solar-photovoltaic conversion	
	(k) Solar-photovoltaic modules and panels for water pumping and other	
	(l) Wind mills and any specially designed devices which run on wind mills	
	(m) Any special devices including electric generators and pumps running on	
	(n) Biogas-plant and biogas-engines	
	(o) Electrically operated vehicles including battery powered or fuel-cell	
	(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-	
9	(i) Books owned by assessee carrying on a profession -	100
	(a) Books, being annual publications	60
	(b) Books, other than those covered by entry (a) above	100
	(ii) Books owned by assessee carrying on business in running lending	
IV. SHIPS		
1	Ocean-going ships including dredgers, tugs, barges, survey launches and	20
2	Vessels ordinarily operating on inland waters, not covered by sub-item (3)	20
3	Vessels ordinarily operating on inland waters being speed boats (See Note 10 below this Table)	20

PART B	
INTANGIBLE ASSETS	

	Know-how, Patents, Copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature.	25
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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 build-up floor area thereof used for residential purposes is not less than sixty-six and two-third percent 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 the 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 assigned to them in section 2 of the Motor Vehicles Act, 1988 (59 of 1988).
7. "Computer software" means any computer program 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 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.'