

**Rates of depreciation  
(for income-tax)**

**AS APPLICABLE FROM THE ASSESSMENT YEAR 2003-04 ONWARDS**

<i>Block of assets</i>	<i>Depreciation allowance as percentage of written down value</i>	
	AYs 2003-04 to 2005-06	AY 2006-07 onwards
<i>1</i>	2	3
<b>PART A</b>		
<b>TANGIBLE ASSETS</b>		
<b>I. BUILDING</b> [ <i>See</i> Notes 1 to 4 below the Table]		
(1) Buildings which are used mainly for residential purposes except hotels and boarding houses	5	<b>5</b>
(2) Buildings other than those used mainly for residential purposes and not covered by sub-items (1) above and (3) below	10	<b>10</b>
(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 <a href="#">section 80-IA</a>	100	<b>100</b>
(4) Purely temporary erections such as wooden structures	100	<b>100</b>
<b>II. FURNITURE AND FITTINGS</b>		
Furniture and fittings including electrical fittings [ <i>See</i> Note 5 below the Table]	15	<b>10</b>
<b>III. MACHINERY AND PLANT</b>		
(1) Machinery and plant other than those covered by sub-items (2), (3) and (8) below :	25 <sup>c</sup>	<b>15<sup>c</sup></b>
<sup>a</sup> (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	<b>15</b>
(3) (i) Aeroplanes - Aeroengines	40	<b>40</b>

<sup>b.</sup> (ii) Motor buses, motor lorries and motor taxis used in a business of running them on hire	40	<b>30</b>
(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 <a href="#">section 32</a> [See Note 6 below the Table]	40	<b>40</b>
(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 <a href="#">section 32</a> [See Note 6 below the Table]	60	<b>60</b>
(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 <a href="#">section 32</a> [See Note 6 below the Table]	60	<b>60</b>
(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	<b>50</b>
(via) New commercial vehicle which is acquired on or after the 1st day of January, 2009 but before the 1st day of October, 2009 and is put to use before the 1st day of October, 2009 for the purposes of business or profession [See paragraph 6 of the Notes below this Table]	—	<b>50</b>
<sup>d.</sup> (vii) Moulds used in rubber and plastic goods factories	40	<b>30</b>
(viii) Air pollution control equipment, being—		
(a) Electrostatic precipitation systems		
(b) Felt-filter systems		
(c) Dust collector systems	100	<b>100</b>
(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 equipments 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 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		40
(xia) Life saving medical equipment, being—		
(a) D.C. Defibrillators for internal use and pace makers	}	30
(b) Haemodialysors		

**100**

100

**100**

100

**30**

40

**30**

30

(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	40 <sup>†</sup>	<b>40</b>
(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	<b>50</b>
(5) Computers including computer software [See note 7 below the Table]	60	<b>60</b>
(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	<b>50</b>
(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 <a href="#">section 80-IA</a> [See Notes 4 and 9 below the Table]	100	<b>100</b>
(8) (i) Wooden parts used in artificial silk manufacturing machinery <sup>e</sup>	100	<b>100</b>
(ii) Cinematograph films - bulbs of studio lights	100	<b>100</b>

(iii) Match factories - Wooden match frames	100	<b>100</b>
(iv) Mines and quarries :		
(a) Tubs, winding ropes, haulage ropes and sand stowing pipes	100	<b>100</b>
(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	<b>100</b>
(vi) Flour mills - Rollers	80	<b>80</b>
(vii) Iron and steel industry - Rolling mill rolls	80	<b>80</b>
(viii) Sugar works - Rollers	80	<b>80</b>
(ix) Energy saving devices, being—		
A. Specialised boilers and furnaces:		
(a) Ignifluid/fluidized bed boilers	80	<b>80</b>
(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	<b>80</b>
(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	<b>80</b>
(b) Recuperators and air pre-heaters		
(c) Heat pumps		
(d) Thermal energy wheel for high and low temperature waste heat recovery		
<b>D. Co-generation systems:</b>		
(a) Back pressure pass out, controlled extraction, extraction-cum-condensing turbines for co-generation along with pressure boilers	80	<b>80</b>
(b) Vapour absorption refrigeration systems		
(c) Organic rankine cycle power systems		
(d) Low inlet pressure small steam turbines		
<b>E. Electrical equipment:</b>		
(a) Shunt capacitors and synchronous condenser systems	80	<b>80</b>
(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)		
<b>F. Burners:</b>		
(a) 0 to 10 per cent excess air burners	80	<b>80</b>
(b) Emulsion burners		
(c) Burners using air with high pre-heat temperature (above 300°C)		
<b>G. Other equipment:</b>		
(a) Wet air oxidation equipment for recovery of chemicals and heat	80	<b>80</b>
(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		
<sup>f</sup> (x) Gas cylinders including valves and regulators	80	<b>60</b>
(xi) Glass manufacturing concerns - Direct fire glass melting furnaces	80	<b>60</b>
<sup>g</sup> (xii) Mineral oil concerns:		
(a) Plant used in field operations (above ground) distribution - Returnable packages	80	<b>60</b>
(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		
(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	80	<b>80</b>
(l) Windmills and any specially designed devices which run on wind-mills installed on or before March 31, 2012		
(m) Any special devices including electric generators and pumps running on wind energy installed on or before March 31, 2012		
(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	100	<b>100</b>
(b) Books, other than those covered by entry (a) above	60	<b>60</b>
(ii) Books owned by assessee carrying on business in running lending libraries	100	<b>100</b>
<b>IV. SHIPS</b>		
(1) Ocean-going ships including dredgers, tugs, barges, survey launches and other similar ships used mainly for dredging	25	<b>20</b>



purposes and fishing vessels with wooden hull		
(2) Vessels ordinarily operating on inland waters, not covered by sub-item (3) below	25	<b>20</b>
(3) Vessels ordinarily operating on inland waters being speed boats [See Note 10 below the Table]	25	<b>20</b>
<i>PART B</i>		
INTANGIBLE ASSETS		
Know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature	25	<b>25</b>

**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. "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.

***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
(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

- 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. Urmila Goel* [1986] 52 CTR (Delhi) 276.
- c. 40 per cent if conditions of rule 5(2) are satisfied.
- d. Company manufacturing insulated wires and cables is not covered under this entry—*CIT v. Falcon Wires (P.) Ltd.* [1980] 123 ITR 427 (Mad.).
- 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.
- 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. Corresponds to Schedule XIV of the 1956 Act.
2. Enforced with effect from 1-4-2014.
3. Substituted for clauses (i) to (iii) vide Notification No. GSR 237(E) [F. No. 17/60/2012-CL-V], dated 31-3-2014, w.e.f. **1-4-2014**. Prior to their substitution, clauses (i) to (iii) read as under :
- "(i) In case of such class of companies, as may be prescribed and whose financial statements comply with the accounting standards prescribed for such class of companies under section 133 the useful life of an asset shall not normally be different from the useful life and the residual value shall not be different from that as indicated in Part C, provided that if such a company uses a useful life or residual value which is different from the useful life or residual value indicated therein, it shall disclose the justification for the same.
- (ii) In respect of other companies the useful life of an asset shall not be longer than the useful life and the residual value shall not be higher than that prescribed in Part C.
- (iii) For intangible assets, the provisions of the Accounting Standards mentioned under sub-para (i) or (ii), as applicable, shall apply."

4. Substituted *vide* Notification No. GSR 237(E) [F. No. 17/60/2012-CL-V], dated 31-3-2014, w.e.f. **1-4-2014**. Prior to its substitution, clause (b) read as under :

"(b) Continuous process plant for which no special rate has been prescribed under (ii) below [NESD]

5. Omitted *vide* Notification No. GSR 237(E) [F. No. 17/60/2012-CL-V], dated 31-3-2014, w.e.f. **1-4-2014**. Prior to its omission, Paragraph 5 read as under :

"5. Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. Ordinarily, the residual value of an asset is often insignificant but it should generally be not more than 5% of the original cost of the asset."

[As amended by Finance Act, 2017]