Income Tax Department
Government of India

Rates of depreciation

(for income-tax)

AS APPLICABLE FROM THE ASSESSMENT YEAR 2003-04 ONWARDS

Block of assets	*Depreciation allowance as percentage of written down value*	
	AYs 2003-04 to 2005-06	***AY 2006-07 onwards***
1	*2*	*3*
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 infra- structure 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 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**
(*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]	—	**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	100	**100**
(*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		
(*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	100	**100**
(*x*) (*a*) Solidwaste control equipments being - caustic/lime/chrome/mineral/cryolite recovery systems (*b*) Solidwaste recycling and resource recovery systems	100	**100**
(*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	**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	40†	**40**

(*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, Arthoscope, 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	**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 (*b*) Safety lamps	100	**100**
(*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**
(*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	80	**80**

(*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	**80**	
(*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	80	**80**	
(*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			
(*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	80	**80**
(*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	80	**80**
(*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		
(*b*) Mechanical vapour recompressors		
(*c*) Thin film evaporators		
(*d*) Automatic micro-processor based load demand controllers	80	**80**
(*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		
(*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	80	**60**
(*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 (*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	80	**80**
(9) (*i*) Books owned by assessees 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 assessees 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	25	**20**

10 below the Table]		
PART B		
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. "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

Class of assets	*Depreciation allowance as percentage of actual cost*
(*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 disconnectioned 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

***Depreciation* under Companies Act, 2013**

[1]***SCHEDULE II***[2]

(*See* section 123)

USEFUL LIVES TO COMPUTE DEPRECIATION

PART 'A'

1. Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount of an asset is the cost of an asset or other amount substituted for cost, less its residual value. The useful life of an asset is the period over which an asset is expected to be available for use by an entity, or the number of production or similar units expected to be obtained from the asset by the entity.

2. For the purpose of this Schedule, the term depreciation includes amortisation.

3. Without prejudice to the foregoing provisions of paragraph 1,—

[3]**[***(i) The useful life of an asset shall not be longer than the useful life specified in Part 'C' and the residual value of an asset shall not be more than five per cent of the original cost of the asset:*

Provided *that where a company uses a useful life or residual value of the asset which is different from the above limits, justification for the difference shall be disclosed in its financial statement.*

*(*ii*) For intangible assets, the provisions of the accounting standards applicable for the time being in force shall apply, except in case of intangible assets (Toll Roads) created under 'Build, Operate and Transfer', 'Build, Own, Operate and Transfer' or any other form of public private partnership route in case of road projects. Amortisation in such cases may be done as follows:—*

*(*a*) Mode of amortisation*

$$\textit{Amortisation Amount} = \frac{\textit{Actual Revenue for the year (B)}}{\textit{Projected Revenue from Intangible Asset (till the end of the concession period) (C)}} \times \frac{\textit{Amortisation Amount}}{\textit{Cost of Intangible Assets (A)}}$$

(b) Meaning of particulars are as follows :—

Cost of Intangible Assets (A)	=	*Cost incurred by the company in accordance with the accounting standards.*
Actual Revenue for the year (B)	=	*Actual revenue (Toll Charges) received during the accounting year.*
Projected Revenue from Intangible Asset (C)	=	*Total projected revenue from the Intangible Assets as provided to the project lender at the time of financial closure/agreement.*

The amortisation amount or rate should ensure that the whole of the cost of the intangible asset is amortised over the concession period.

Revenue shall be reviewed at the end of each financial year and projected revenue shall be adjusted to reflect such changes, if any, in the estimates as will lead to the actual collection at the end of the concession period.

(c) Example:—

Cost of creation of Intangible Assets	:	*Rs. 500 Crores*
Total period of Agreement	:	*20 Years*
Time used for creation of Intangible Assets	:	*2 Years*
Intangible Assets to be amortised in	:	*18 Years*

Assuming that the Total revenue to be generated out of Intangible Assets over the period would be Rs. 600 Crores, in the following manner:—

Year No.	Revenue (In Rs. Crores)	**Remarks**
Year 1	*5*	*Actual*
Year 2	*7.5*	*Estimate**
Year 3	*10*	*Estimate**
Year 4	*12.5*	*Estimate**
Year 5	*17.5*	*Estimate**
Year 6	*20*	*Estimate**
Year 7	*23*	*Estimate**
Year 8	*27*	*Estimate**
Year 9	*31*	*Estimate**
Year 10	*34*	*Estimate**
Year 11	*38*	*Estimate**
Year 12	*41*	*Estimate**
Year 13	*46*	*Estimate**
Year 14	*50*	*Estimate**
Year 15	*53*	*Estimate**
Year 16	*57*	*Estimate**

Year 17	*60*	*Estimate**
Year 18	*67.5*	*Estimate**
Total	*600*	

'' will be actual at the end of financial year.*

*Based on this the charge for first year would be Rs. 4.16 Crore (approximately) (*i.e. *Rs. 5/Rs. 600 × Rs. 500 Crores) which would be charged to profit and loss and 0.83% (*i.e. *Rs. 4.16 Crore/Rs. 500 Crore × 100) is the amortisation rate for the first year.*

*Where a company arrives at the amortisation amount in respect of the said Intangible Assets in accordance with any method as per the applicable Accounting Standards, it shall disclose the same.***]**

PART 'B'

4. The useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset irrespective of the requirements of this Schedule.

PART 'C'

5. Subject to Parts A and B above, the following are the useful lives of various tangible assets:

Nature of assets	*Useful Life*
I. Buildings [NESD]	
(*a*) Buildings (other than factory buildings) RCC Frame Structure	60 Years
(*b*) Buildings (other than factory buildings) other than RCC Frame Structure	30 Years
(*c*) Factory buildings	-do-
(*d*) Fences, wells, tube wells	5 Years
(*e*) Others (including temporary structure, etc.)	3 Years
II. Bridges, culverts, bunders, etc. [NESD]	30 Years
III. Roads [NESD]	
(*a*) Carpeted roads	
(*i*) Carpeted Roads—RCC	10 Years
(*ii*) Carpeted Roads—other than RCC	5 Years
(*b*) Non-carpeted roads	3 Years
IV. Plant and Machinery	
(*i*) **General rate applicable to plant and machinery not covered under special plant and machinery**	
(*a*) Plant and Machinery other than continuous process plant not covered under specific industries	15 Years
[4]**[***(*b*) Continuous process plant for which no special rate has been prescribed under (*ii*) below [NESD]*	*25 Years***]**
(*ii*) **Special Plant and Machinery**	
(*a*) Plant and Machinery related to production and exhibition of Motion Picture Films	

1. Cinematograph films—Machinery used in the production and exhibition of cinematograph films, recording and reproducing equipments, developing machines, printing machines, editing machines, synchronizers and studio lights except bulbs	13 Years
2. Projecting equipment for exhibition of films	-do-
(*b*) Plant and Machinery used in glass manufacturing	
1. Plant and Machinery except direct fire glass melting furnaces —	
Recuperative and regenerative glass melting furnaces	13 Years
2. Plant and Machinery except direct fire glass melting furnaces — Moulds [NESD]	8 Years
3. Float Glass Melting Furnaces [NESD]	10 Years
(*c*) Plant and Machinery used in mines and quarries—Portable under ground machinery and earth moving machinery used in open cast mining [NESD]	8 Years
(*d*) Plant and Machinery used in Telecommunications [NESD]	
1. Towers	18 Years
2. Telecom transreceivers, switching centres, transmission and other network equipment	13 Years
3. Telecom—Ducts, Cables and optical fibre	18 Years
4. Satellites	-do-
(*e*) Plant and Machinery used in exploration, production and refining oil and gas [NESD]	
1. Refineries	25 Years
2. Oil and gas assets (including wells), processing plant and facilities	-do-
3. Petrochemical Plant	-do-
4. Storage tanks and related equipment	-do-
5. Pipelines	30 Years
6. Drilling Rig	-do-
7. Field operations (above ground) Portable boilers, drilling tools, well-head tanks, etc.	8 Years
8. Loggers	-do-
(*f*) Plant and Machinery used in generation, transmission and distribution of power [NESD]	
1. Thermal/Gas/Combined Cycle Power Generation Plant	40 Years
2. Hydro Power Generation Plant	-do-
3. Nuclear Power Generation Plant	-do-

4. Transmission lines, cables and other network assets	-do-
5. Wind Power Generation Plant	22 Years
6. Electric Distribution Plant	35 Years
7. Gas Storage and Distribution Plant	30 Years
8. Water Distribution Plant including pipelines	-do-
(*g*) Plant and Machinery used in manufacture of steel	
1. Sinter Plant	20 Years
2. Blast Furnace	-do-
3. Coke ovens	-do-
4. Rolling mill in steel plant	-do-
5. Basic oxygen Furnace Converter	25 Years
(*h*) Plant and Machinery used in manufacture of non-ferrous metals	
1. Metal pot line [NESD]	40 Years
2. Bauxite crushing and grinding section [NESD]	-do-
3. Digester section [NESD]	-do-
4. Turbine [NESD]	-do-
5. Equipments for Calcination [NESD]	-do-
6. Copper Smelter [NESD]	-do-
7. Roll Grinder	40 Years
8. Soaking Pit	30 Years
9. Annealing Furnace	-do-
10. Rolling Mills	-do-
11. Equipments for Scalping, Slitting, etc. [NESD]	-do-
12. Surface Miner, Ripper Dozer, etc., used in mines	25 Years
13. Copper refining plant [NESD]	-do-
(*i*) Plant and Machinery used in medical and surgical operations [NESD]	
1. Electrical Machinery, X-ray and electrotherapeutic apparatus and accessories thereto, medical, diagnostic equipments, namely, Cat-Scan, Ultrasound Machines, ECG Monitors, etc.	13 Years
2. Other Equipments.	15 Years
(*j*) Plant and Machinery used in manufacture of pharmaceuticals and chemicals [NESD]	
1. Reactors	20 Years
2. Distillation Columns	-do-

3. Drying equipments/Centrifuges and Decanters	-do-
4. Vessel/storage tanks	-do-
(*k*) Plant and Machinery used in civil construction	
1. Concreting, Crushing, Piling Equipments and Road Making Equipments	12 Years
2. Heavy Lift Equipments—	
Cranes with capacity of more than 100 tons	20 Years
Cranes with capacity of less than 100 tons	15 Years
3. Transmission line, Tunneling Equipments [NESD]	10 Years
4. Earth-moving equipments	9 Years
5. Others including Material Handling /Pipeline/Welding Equipments [NESD]	12 Years
(*l*) Plant and Machinery used in salt works [NESD]	15 Years
V. Furniture and fittings [NESD]	
(*i*) General furniture and fittings	10 Years
(*ii*) 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.	8 Years
VI. Motor Vehicles [NESD]	
1. Motor cycles, scooters and other mopeds	10 Years
2. Motor buses, motor lorries, motor cars and motor taxies used in a business of running them on hire	6 Years
3. Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	8 Years
4. Motor tractors, harvesting combines and heavy vehicles	-do-
5. Electrically operated vehicles including battery powered or fuel cell powered vehicles	8 Years
VII. Ships [NESD]	
1. Ocean-going ships	
(*i*) Bulk Carriers and liner vessels	25 Years
(*ii*) Crude tankers, product carriers and easy chemical carriers with or without conventional tank coatings	20 Years
(*iii*) Chemicals and Acid Carriers :	
(*a*) With Stainless steel tanks	25 Years
(*b*) With other tanks	20 Years

(*iv*) Liquified gas carriers	30 Years
(*v*) Conventional large passenger vessels which are used for cruise purpose also	-do-
(*vi*) Coastal service ships of all categories	-do-
(*vii*) Offshore supply and support vessels	20 Years
(*viii*) Catamarans and other high speed passenger for ships or boats	-do-
(*ix*) Drill ships	25 Years
(*x*) Hovercrafts	15 Years
(*xi*) Fishing vessels with wooden hull	10 Years
(*xii*) Dredgers, tugs, barges, survey launches and other similar ships used mainly for dredging purposes	14 Years
2. Vessels ordinarily operating on inland waters—	
(*i*) Speed boats	13 Years
(*ii*) Other vessels	28 Years
VIII. Aircrafts or Helicopters [NESD]	20 Years
IX. Railways sidings, locomotives, rolling stocks, tramways and railways used by concerns, excluding railway concerns [NESD]	15 Years
X. Ropeway structures [NESD]	15 Years
XI. Office equipment [NESD]	5 Years
XII. Computers and data processing units [NESD]	
(*i*) Servers and networks	6 Years
(*ii*) End user devices, such as, desktops, laptops, etc.	3 Years
XIII. Laboratory equipment [NESD]	
(*i*) General laboratory equipment	10 Years
(*ii*) Laboratory equipments used in educational institutions	5 Years
XIV. Electrical Installations and Equipment [NESD]	10 years
XV. Hydraulic works, pipelines and sluices [NESD]	15 Years

Notes.—

1. "Factory buildings" does not include offices, godowns, staff quarters.

2. 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.

3. The following information shall also be disclosed in the accounts, namely:—

(*i*) depreciation methods used; and

(*ii*) the useful lives of the assets for computing depreciation, if they are different from the life specified in the Schedule.

4. Useful life specified in Part C of the Schedule is for whole of the asset. Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately.

5. [5]**[***]**

6. The useful lives of assets working on shift basis have been specified in the Schedule based on their single shift working. Except for assets in respect of which no extra shift depreciation is permitted (indicated by NESD in Part C above), if an asset is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of the triple shift the depreciation shall be calculated on the basis of 100% for that period.

7. From the date this Schedule comes into effect, the carrying amount of the asset as on that date—

(*a*) shall be depreciated over the remaining useful life of the asset as per this Schedule;

(*b*) after retaining the residual value, shall be recognised in the opening balance of retained earnings where the remaining useful life of an asset is *nil*.

8. "Continuous process plant" means a plant which is required and designed to operate for twenty-four hours a day.

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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]		8 Years"

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, 2016]