

**PROPOSED RATES AT WHICH DEPRECIATION ON CERTAIN
ITEMS OF PLANT AND MACHINERY IS TO BE MADE
ADMISSIBLE FROM ASSESSMENT YEAR 2003-2004**

The Central Board of Direct Taxes has proposed rates at which depreciation on certain items of plant and machinery is to be made admissible from assessment year 2003-2004. The details are given below.

Comments and suggestions are invited from trade associations, chambers, professionals and other related persons on the suggested rates. Such comments may be forwarded to the Joint Secretary (TPL), Central Board of Direct Taxes (Fax No. 011-3012859) latest by 31st March, 2002.

In the Table to Appendix I, of the Income-tax Rules, 1962, in Part-A relating to TANGIBLE ASSETS, under the heading "III. MACHINERY AND PLANT",-

- (a) in sub-item (2), for the entries (iv), (v) and (vi), the following entries and figures shall be substituted:

- "(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
 - (e) Ash handling system and evacuation system
- 60
- (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 ludge 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
- 60
- (vi) (a) Solidwaste, control equipments being - caustic/lime/chrome/
mineral/cryolite recovery system
- 60";
- (b) Solidwaste recycling and resource recovery systems

(b) for sub-items (3) and (4), the following shall be substituted:

"(3) (i) Wooden parts used in artificial silk manufacturing machinery	60
(ii) Cinematograph films - bulbs of studio lights	60
(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	60
(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	60
(f) Maximum demand indicator and clamp on power meters	
(g) Exhaust gases analyser	
(h) Fuel oil pump test bench	
C. Waste heat recovery equipments:	
(a) Economisers and feed water heaters	
(b) Recuperators and air pre-heaters	60
(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 cogeneration along with pressure boilers	
(b) Vapour absorption refrigeration systems	60
(c) Organic rankine cycle power systems	
(d) Low inlet pressure small steam turbines	
E. Electrical equipments:	
(a) Shunt capacitors and synchronous condenser systems	
(b) Automatic power cut off devices (relays) mounted on individual motors	60
(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)	
F. Burners:	
(a) 0 to 10 per cent excess air burners	
(b) Emulsion burners	60
(c) Burners using air with high pre-heat temperature (above 300 Celsius)	

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	60
(e)	Coal based producer gas plants	
(f)	Fluid drives and fluid couplings	
(g)	Turbo charges/super charges	
(iv)	Flour mills - Rollers	60
(v)	Gas cylinders including valves and regulators	60
(vi)	Glass manufacturing concerns - District fire glass melting furnaces	60
(vii)	Iron and steel industry - Rolling mill rolls	60
(viii)	Match factories - Wooden match frames	60
(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 under ground tanks and fittings used in field operations (distribution) by mineral oil concerns	60
(x)	Mines and quarries:	
(a)	Tubs, winding ropes, haulage ropes and sand stowing pipes	60
(b)	Safety lamps	
(xi)	Salt works - Salt pans, reservoirs and condensers, etc., made of earthy, sandy or clayey material or any other similar material	60
(xii)	Sugar works - Rollers	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 drivers 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	60
(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	
(4)	(i) Books owned by assessee carrying on a profession	60".
	(ii) Books owned by assessee carrying on business in running lending libraries	
