

NOTIFICATION NO. 67/2005 DATED 28-2-2005

In exercise of the powers conferred by section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:—

1. (1) These rules may be called the Income-tax (Sixth Amendment) Rules, 2005.
- (2) They shall come into force from the 2nd day of April, 2005.
2. In the Income-tax Rules, 1962, for Appendix I, the following shall be substituted, namely:—

'APPENDIX I

[Effective from assessment year 2006-2007]

[See rule 5]

TABLE OF RATES AT WHICH DEPRECIATION IS ADMISSIBLE

<i>Block of assets</i>	<i>Depreciation allowance as percentage of written down value</i>
1	2

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 boarding houses | 5 |
| (2) Buildings other than those used mainly for residential purposes and not covered by sub-items (1) above and (3) below | 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. | 100 |
| (4) Purely temporary erections such as wooden structures | 100 |

II. FURNITURE AND FITTINGS

- | | |
|--|----|
| Furniture and fittings including electrical fittings | 10 |
| [See Note 5 below this Table] | |

III. MACHINERY AND PLANT

- | | |
|--|----|
| (1) Machinery and plant other than those covered by sub-items (2), (3) and (8) below: | 15 |
| (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 | 15 |
| (3) (i) Aeroplanes-Aeroengines | 40 |

(ii) Motor buses, motor lorries and motor taxis used in a business of running them on hire	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]	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]	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]	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 this Table]	50
(vii) Moulds used in rubber and plastic goods factories	30
(viii) Air pollution control equipment being—	
(a) Electrostatic precipitation systems	
(b) Felt-filter systems	100
(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	
(b) Aerated detritus chambers (including air compressor)	
(c) Mechanically skimmed oil and grease removal systems	
(d) Chemical feed systems and flash mixing equipment	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 100
 - (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
- (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 30 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
- (xia) Life saving medical equipment, being—
- (a) D.C. Defibrillators for internal use and pace makers
 - (b) Haemodialysers
 - (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 40
 - (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 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 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 this Table]	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 machinery	
(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 - Salt pans, reservoirs and condensers, etc., made of earthy, sandy or clayey material or any other similar material	
(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 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	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 analyzer
 - (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 80
 - (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
 - (b) Vapour absorption refrigeration systems
 - (c) Organic ranking cycle power systems 80
 - (d) Low inlet pressure small stem 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 80
 - (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	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
(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	80
(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	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	
(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	
(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	
(9)(i) Books owned by assessee carrying on a profession—	
(a) Books, being annual publications	100
(b) Books, other than those covered by entry (a) above	60
(ii) Books owned by assessee carrying on business in running lending libraries	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	20
(2) Vessels ordinarily operating on inland waters, not covered by sub-item (3) below	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

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 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 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. "TUPS" 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.'

□□

AMENDMENT RULES

IT (SEVENTH AMDT.) RULES, 2005

Income-tax (Seventh Amendment) Rules, 2005 - Amendments in rule 3 of Income-tax Rules, 1962

NOTIFICATION NO. 68/2005 [F. NO. FB/9/2005-TPL], DATED 28-2-2005

In exercise of the powers conferred by section 295 read with sub-clause (vi) of clause (2) of section 17 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:—

1. (1) These rules may be called the Income-tax (Seventh Amendment) Rules, 2005.
- (2) They shall come into force on the 1st day of April, 2005.
2. In the Income-tax Rules, 1962, in rule 3,—
 - (a) in sub-rule (1), for Table I, the following Table shall be substituted, namely:—

"TABLE I

NOTIFICATION

<i>Sr. No.</i>	<i>Circumstances</i>	<i>Where accommodation is unfurnished</i>	<i>Where accommodation is furnished</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
1.	Where the accommodation is provided by the Central Government or any State Government to the employees either holding office or post in connection with the affairs of the Union or of such State or serving with any body or undertaking under the control of such Government on deputation	Licence fee determined by the Central Government or any State Government in respect of accommodation in accordance with the rules framed by such Government as reduced by the rent actually paid by the employee.	The value of perquisite as determined under column (3) and increased by 10% per annum of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air conditioning plant or equipment) or if such furniture is hired from a third party, the actual hire charges payable for the same as reduced by any charges paid or payable for the same by the employee during the previous year.
2.	Where the accommodation is provided by any other employer and- <i>(a)</i> Where the accommodation is owned by the employer, or <i>(b)</i> Where the accommodation is taken on	<i>(i)</i> 20% of salary in cities having population exceeding 4 lakhs as per 2001 census; <i>(ii)</i> 15% of salary in other cities, in respect of the period during which the said accommodation was occupied by the employee during the previous year as reduced by the rent, if any, actually paid by the employee. Actual amount of lease rental paid or payable	The value of perquisite as determined under column (3) and increased by 10% per annum of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air conditioning plant or equipment or other similar appliances or gadgets) or if such furniture is hired from a third party, by the actual hire charges payable for the same as reduced by any charges paid or payable for the same by the employee during the previous year. The value of perquisite as determined under column

	<p>lease or rent by the employer.</p>	<p>by the employer or 20% of salary whichever is lower as reduced by the rent, if any, actually paid by the employee.</p>	<p>(3) and increased by 10% per annum of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air conditioning plant or equipment or other similar appliances or gadgets) or if such furniture is hired from a third party, by the actual hire charges payable for the same as reduced by any charges paid or payable for the same by the employee during the previous year.</p>
<p>3.</p>	<p>Where the accommodation is provided by the employer specified in serial number (1) or (2) above in a hotel (except where the employee is provided such accommodation for a period not exceeding in aggregate 15 days on his transfer from one place to another).</p>	<p>Not applicable.</p>	<p>24% of salary paid or payable for the previous year or the actual charges paid or payable to such hotel, which is lower, for the period during which such accommodation is provided as reduced by the rent, if any, actually paid or payable by the employee.”</p>