Power Generating Units

S.NO.	Income tax Sections	Details
1.	10(40)	Income by way of grant or otherwise received by Subsidiary company from Indian Holding Company engaged in Power generation for settlement of dues in connection with reconstruction or revival of existing power generation business shall be exempt from tax. Provided that revival or reconstruction is by transferring power generation business to Indian company u/s 80IA (4) (v) (a).
2.	32 read with Rule 5(1A)	Depreciation by the Power generating companies shall be calculated at the rates prescribed in Appendix 1A. However power generating companies have the option to claim depreciation as per Appendix 1. However additional depreciation will be available only when power generating companies claim depreciation as per Appendix 1. Appendix 1 : normal rates of depreciation Appendix 1A : Rates specified for power generation units Power generation means power generation or generation and distribution.
3.	Terminal Depreciation	For power Generating units claiming Depreciation u/s 32(1)(i) following amount shall be claimed as terminal depreciation provided it should be actually written off WDV less (Moneys Payable plus scrap value)
4.	Balancing charge	For power generating units claiming depreciation u/s 32(1)(i),least of following shall be claimed as PGBP • Actual cost less WDV or • (Monies payable plus scrap value) less WDV In the year in which monies payable become due.
5.	44 BBB	Assessee being foreign company engaged in the business of • Civil construction • Business of erection or commissioning In connection with turnkey project approved by central government Sum equal to 10% of the amount paid to said assesse shall be deemed profit.
6.	50A	Where Capital assets depreciated u/s 32(1) (i) ,has been obtained by the assesse in the PY the provision of section 48 & 49 shall apply and WDV shall be taken as COA.
7.	80JJA	Assessee engaged in the business of • Collecting and processing or

		• Treating Bio degradable waste to generate power Profit and gain of such business is deductible for the period of 5 consecutive years beginning with the year of business commencement.
8.	206C	Subsection (1A) provides that No tax will be collected if resident buyer furnishes declaration in writing that goods are to be utilised for the purpose of • Manufacturing • Generation of power And not for the purpose of trading.
9.	80 IA	An undertaking which is set up in any part of India for • Generation or • Generation and distribution of power Provided it begin to generate power on or before 31st March 2017. 100% profit for 10 consecutive AY will be deductible in the 15 years block. Conditions 1. Undertaking is not formed by splitting up, reconstruction of existing business. 2. Not formed by transfer of plant machinery already used.