

Section- C

Documents required to be submitted during October for each subsequent year of the approved period u/s 35 (2AB) of the Income Tax Act.

Important instructions: -

- a *All documents submitted should be page numbered.*
 - b *Adequate specifications of equipment are furnished along with capitalized cost.*
 - c *Details of manpower cost needs to be submitted in **three** statements providing remunerations paid to each employee for the complete year i.e. alphabetic list of R&D employees for the complete year **along with designation & qualification**; employees joined during the year and employee left during the year.*
 - d **Only one copy is required to be submitted.**
1. A crisp write-up not exceeding one page on the thrust areas and significant achievements of each In-house R&D facility duly signed by the head R&D along with his contact phone number and e-mail ID to be submitted.
 2. Details of Expenditure for each approved R&D centre separately as per **Annexure II** of DSIR guidelines duly certified by the company and the statutory auditors.
 3. Details of R&D progress for each approved In-house R&D facility as per **Appendix I to Annexure II** of DSIR guidelines
 4. **A table consolidating details of expenditure as per Annexure II** for all the approved In-house R&D facilities for companies having more than one approved facilities u/s 35 (2AB) of the Income Tax Act duly certified by statutory auditors.
 5. Duly filled Form **Auditor certificate, 3CL (Part A) and Form 3CLA** in the desired format.
 6. Published annual report/ **audited financial statement filed or to be filed with Registrar as per Companies Act, 2013 (stamped & signed by authorized signatory)** for the desired financial year clearly highlighting the capital and Revenue expenditures on R&D.
 7. Reconciliation statement of the claims made as per Annexure II (consolidated statement) with the expenditure reported in the relevant annual report/ audited financial statement signed by corporate auditors.
(Note:- R&D figures reported in the Directors Report are not considered)
 8. Breakup of the capital assets as reported in the annual report/ audited financial statement as per the following table:

(Amount in Rs. Lakhs)

Description	Manufacturing	Quality Control	R&D	Total
As on 31st March 2012				
Additions during the year				
As on 31st March 2013				

(Note: The years mentioned above are only indicative.)

9. Annual turnover of the company during the last three years on products launched based on technology developed in house as per the following table (in order to have an assessment on the effectiveness of R&D efforts):

(Amount in Rs. Lakhs)

Year	Total Annual Turnover	Total R&D Expenditure	Turnover based on products developed in house and launched during the last three years			Ratios	
			Domestic	Export	Total	6/2	6/3
1	2	3	4	5	6		
2012-13							

(Note: The year mentioned above is only indicative.)

10. *Annual production (in units) of the eligible products of the company during the past three years.*

11. Hyperlink of latest annual report on website of the company.

Declaration by the Head of R&D activities:

It is certified that

- Proper logbooks are being maintained for all R&D assets for which weighted tax deduction is claimed.**
- Lab records are being maintained by all R&D scientists.**
- The submissions being made for the assessment year -----corresponding to the financial year -----comprise of -----pages and contain all the eight points mentioned above.**

Signature
Name & Designation
Head of R&D activities of the company
Phone No. ,Fax No. ,Mobile No. ,Email ID,Website

Name, designation, phone, fax, Mobile No. and e-mail ID of nodal officer for providing any clarifications.

Annexure-II

Details of expenditure incurred on the research and development facility centre approved by the prescribed authority under section 35(2AB) of the Act.

1. Assessment year :

2. Previous year :

3. Location of the research and development facility:

4. Details of expenditure: (in Rs. Lakhs)

A. (i) Land

(ii) Buildings

B. Capital Expenditure (attach a separate sheet giving item-wise break-up of items costing more than Rs. 1 lakh)

.(i) Equipment

.(ii) Others

.(a)

.(b)

.(c)

(iii) Total

C. Revenue expenditure* (R&D manpower salary/wages, materials/consumables, utility & Any other expenditure directly related to R&D) Give item-wise details of items costing more than Rs. 50,000/- each in separate sheet

.(a)

.(b)

.(c)

Total

D. Total expenditure on the approved research and development centre (excluding land and building)

E. Details of assets disposed off/transferred.

I certify that above expenditure claimed is as per the guidelines issued by Department of Scientific and Industrial Research and is true and correct to the best of my knowledge and belief.

Signature of the Principal Officer of the
company
(Name, designation and address)

Place :

Date :

NOTE: The totalled cost should tally the claim amount.

*The expenditure on each utility should be given separately. The expenditure shall be claimed only if the utility is exclusively meant for the R&D centre or the consumption of the utility by R&D is separately metered and recorded.

Additional Information to be submitted separately for each R & D Centre approved by the Prescribed Authority U/S 35(2AB) of I.T. Act at the time of reporting of the expenditure by secretary DSIR as per Form 3CL

Accounting Year:

Assessment Year:

1. A brief note on progress of each of the projects shown in application to Prescribed Authority at the time of approval. Any changes with regard to the scope of the projects as originally envisaged and the manpower working on the project may be highlighted.
2. Details of any additional projects taken up during the year.
3. Details of changes if any in the R&D infrastructure/and staff along with bio-data of any new R&D staff recruited and qualification-wise break-up of existing staff.
4. Details of R&D achievements and technologies commercialized during the year.
5. Details of patents obtained and/or filed during the year.
6. Details of any other changes in the approved R&D centre.

I certify that the above details are correct as per my knowledge and belief.

Signature of the Managing Director

Date:

Place:

AUDITOR'S CERTIFICATE

I have audited the accounts of the in-house R&D Centre of M/s _____ located at _____ which is approved U/S 35(2AB) by the Prescribed Authority (Secretary, DSIR).

I certify that:

- a) The company has maintained separate accounts for the R&D Centre approved by DSIR U/S 35(2AB).
- b) The accounts have been satisfactorily maintained. The expenditure certified are also in consonance with DSIR guidelines.
- c) The firm has extended full co-operation to me in carrying out the audit of the accounts of the R&D Centre.

The expenditure of Rs. ----- reported for the financial year -----relevant to the assessment year ----- as detailed out in Annexure II of Section C of DSIR guideline at para `4' is correct to the best of my knowledge and belief as per the result of the audit of the approved R&D Centre carried out by me. Also R&D capital expenditure is reflected on page ----and revenue expenditure on page ---- in the audited financial statement/annual report

It is further certified that the expenditure claims **do not include** the following: -

- i. Expenditure on outsourced R&D activities.
- ii. Expenditure purely related to market research, sales promotion, quality control, testing, commercial production, style changes, routine data collection or activities of a like nature.
- iii. Lease rent paid for research farms or research labs.
- iv. Capitalized expenditure of intangible nature.
- v. Expenditure on foundation seeds multiplication, demonstration crops and grow out test etc. beyond breeder seed development.
- vi. Foreign patent filing expenditure.
- vii. Consultancy expenditure, retainership, contract manpower / labour.
- viii. Building maintenance, Municipal taxes and rental charges being paid.
- ix. Any interest component on loans for R&D.
- x. Clinical trial activities carried out outside the approved facilities.
- xi. Contract research expenses duly certified by chartered accountant.
- xii. Expenditure on any payments made to members of the board of Directors or any other part time employees working for R&D.

Signature & Seal of the Statutory Auditor

Date :

Place:

FORM NO. 3CL
[SEE RULE 6]

**Report to be submitted by the prescribed authority to the Income-tax Authority
specified under section 35(2AB) of the Income-tax Act, 1961**

1. Name and address of the registered office of the company including Telex/FAX/Phone No.
2. Permanent Account Number (PAN) of the company
3. Name and designation of the Principal Officer of the company
4. Nature of business/activity of the company
 - (i) Business of biotechnology
 - (ii) Manufacture/production of any eligible article or thing under sub-section (2AB) of section 35 of the Act. (Please specify)

Part A

1. Annual production of the eligible products of the company during the past three years.
2. Proposed objectives of scientific Research contemplated by the company.
3. Whether the nature of the business is related to the proposed objectives of the scientific research contemplated by the company.
4. Details of the nature of existing in-house Research and Development facilities specifying whether the in-house Research and Development facility is adequate for carrying out scientific research.
5. Registration number, date and validity of Recognition granted by Department of Scientific and Industrial Research to the In-house Research and Development centre of the company.
6. Whether agreement for co-operation and Research and Development facility and For audit of the accounts maintained for that facility entered into.

Part B

1. Assessment year
2. Previous year
3. Location of the research and development facility
4. Annual production of the eligible products during
The year
5. Details of expenditure: (in Rs. Lakhs)
 - A.
 - (i) Land
 - (iii) Buildings
 - B. Capital expenditure:
 - (i) Equipment
 - (ii) Others
 - (iii) Total
 - C. Revenue expenditure:
 - (i) Expenditure directly related to research and development
 - (a) _____
 - (b) _____
 - (c) _____
 - (ii) Total
 - D. Total expenditure on the approved research and development centre
(excluding land and building)
 - E. Details of assets disposed of/transferred

I certify that the above details are true and correct to the best of my knowledge and belief.

Signature of Secretary, Department of Scientific and Industrial Research

Date: -----

Place: -----

FORM No. 3CLA

[See rule 6]

Report from an accountant to be furnished under sub-section (2AB) of section 35 of the Act relating to in-house scientific research and development facility

1. * I/We have audited the accounts of the in-house research and development centre of M/s _____ located at _____ which is approved under section 35(2AB) of the Act by the prescribed authority (Secretary, Department of Scientific and Industrial Research), vide Order No. _____ dated _____.
2. * I/We certify that:
 - (a) The company has maintained separate accounts for the research and development centre approved by Department of Scientific and Industrial Research under sub-section (2AB) of section 35 of the Act.
 - (b) The accounts have been satisfactorily maintained. The expenditure certified is also in consonance with Department of Scientific and Industrial Research guidelines.
3. The expenditure of Rs. _____ (Revenue Rs. ____; Capital Rs. ____; Land and Building Rs. ____; others Rs. ____) reported for the financial year _____ relevant to the assessment year _____ is correct to the best of my/our knowledge and belief as per the result of the audit of the approved research and development centre carried out by me/us. Also the research and development capital expenditure is reflected on page ____ and revenue expenditure on page ____ in the audited financial statement/annual report.

Signature of Accountant **
Name of the Accountant
Address of Accountant
Membership No.:

Date: _____
Place: _____

Notes:

1. * Delete whichever is not applicable.
2. ** This report has to given by Accountant –
Accountant means an accountant as defined in the Explanation below sub-section (2) of section 288 of the Income-tax Act, 1961.

A. The following documents along with application in Form 3CK and Annexure III of DSIR guidelines also need to be submitted for comprehensive assessment of R&D efforts of seed companies.

1. Details of laboratory facilities available exclusively for R&D along with specialized lab facilities for precision in variety identification and other infrastructure available along with layout along with land available for research activities providing breakup of area/plot for nucleus seeds, sick farms, poly houses and cross breeding programs and any other such specified activities.
2. Manpower available for R&D indicating breeders for various crops, agronomists, pathologists, microbiologist, molecular biologist, virologist, information technology specialist for bioinformatics work, entomologists etc.
3. Crop wise character details of all the germplasm lines available and associated cross breeding research programs; Facilities available for storage of Germplasm; Disposal policy of the company for R&D crops.
4. Summary of independent test reports of research hybrids/varieties (developed at the recognized in-house R&D centres) carried out by authorized state/central government/ private agencies duly authenticated; Documentary evidence in support of permission to market research varieties (truthfully labeled seeds) by authorised central/state government agencies along with annual turnover of research varieties (truthfully labelled seeds) for the last three Financial Years along with breakup of turnover of own varieties and public notified varieties/hybrids.

B. The R&D expenditure claims u/s 35 (2AB) of the Income Tax Act will be limited to expenditure incurred in the approved facilities/ farms up to breeder seed development only.

C. Lease rent paid for the approved research farms shall not be eligible for weighted tax deduction u/s 35(2AB) of IT Act.

THE ELEVENTH SCHEDULE

LIST OF ARTICLES OR THINGS

1. Beer, wine and other alcoholic spirits.
2. Tobacco and tobacco preparations, such as, cigars and cheroots, cigarettes, biris, smoking mixtures for pipes and cigarettes, chewing tobacco and snuff.
3. Cosmetics and toilet preparations.
4. Tooth paste, dental cream, tooth powder and soap.
5. Aerated waters in the manufacture of which blended flavouring concentrates in any form are used.
[*Explanation.* Blended flavouring concentrates shall include, and shall be deemed always to have included, synthetic essences in any form.]
6. Confectionery and chocolates.
7. Gramophones, including record-players and gramophone records.
8. ¹⁴ [***]
9. ¹⁵ [Projectors.]
10. Photographic apparatus and goods.
- 11-21. ¹⁴ [***]
22. Office machines and apparatus such as typewriters, calculating machines, cash registering machines, cheque writing machines, intercom machines and teleprinters.

Explanation: The expression office machines and apparatus includes all machines and apparatus used in offices, shops, factories, workshops, educational institutions, railway stations, hotels and restaurants for doing office work ¹⁶ [and for data processing (not being computers within the meaning of **section 32AB**)].

23. Steel furniture, whether made partly or wholly of steel.
24. Safes, strong boxes, cash and deed boxes and strong room doors.
25. Latex foam sponge and polyurethane foam.
26. ¹⁷ [***]
27. Crown corks, or other fittings of cork, rubber, polyethylene or any other material.
28. Pilfer-proof caps for packaging or other fittings of cork, rubber, polyethylene or any other material.
29. ¹⁷ [***]