

# INCOME-TAX RULES, 1962

## FORM NO. 3CK

### Application form for entering into an agreement with the Department of Scientific and Industrial Research for cooperation in in-house Research and Development facility and for audit of the accounts maintained for that facility

#### PART A

1. Name and Address of the registered office of the company including Telex/Fax/ Phone numbers.
2. Permanent Account Number (PAN) of the company.
3. *Address, phone number of the Principal Chief Commissioner of Income-tax or Chief Commissioner of Income-tax or Principal Director General of Income-tax or Director General of Income-tax having jurisdiction over the company.*
- 3A. *Please specify the nature and business/activity of the company—*
  - (a) *business of bio-technology*
  - (b) *manufacture/production of article or things (Please specify the product).*
4. Annual production of the eligible products of the company during the past three years.
5. Annual expenditure on scientific research of the company during the past three years, giving break-up of expenditure on land and buildings.
6. Please give details of the nature of existing in-house Research and Development facilities including the address of the in-house Research and Development facility.
7. 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.
8. Proposed objectives of scientific research contemplated by the company.

#### PART B

##### AGREEMENT

Whereas,  (hereinafter referred to as the First Party) and the Department of Scientific and Industrial Research (hereinafter referred to as the Second Party), have decided to enter into an agreement, that -

- (i) the First Party shall maintain an in-house Research and Development facility to be approved by the Second Party.
- (ii) *the above Research and Development facility shall be exclusively used by the First Party to carry out scientific research relating to bio-technology or manufacture or production of any eligible article or thing under sub-section (2AB) of section 35 of the Act,*
- (iii) *the First Party shall provide full co-operation to the Second Party in carrying out the Research and Development work relating to bio-technology or manufacture or production of eligible article or thing under sub-section (2AB) of section 35 of the Act,*

- (iv) the First Party shall maintain separate accounts for both revenue and capital expenditure on scientific research including that on in-house Research and Development facility, which shall be annually audited by an accountant as defined in section 288(2) of the Income-tax Act, 1961, and a copy of which has to be attached with the return of income under sub-section (1) of section 139 to claim deduction under section 35(2AB),
- (v) subject to the First Party meeting the conditions specified under sub-section (2AB) of section 35, and on being satisfied of the feasibility of the said in-house Research and Development facility in terms of its objectives and of the genuineness of the expenditure on said Research and Development facility by the First Party, the Second Party shall submit its report in relation to the approval of the said facility to the *Principal Chief Commissioner of Income-tax or Chief Commissioner of Income-tax or Principal Director General of Income-tax or Director General of Income-tax having jurisdiction over the First Party within a period of one hundred and twenty days from the date on which the First Party makes application in the Form No. 3CK.*

Agreed on the \_\_\_\_ day of \_\_\_\_ month of \_\_\_\_ year.

First Party

\_\_\_\_\_  
 \_\_\_\_\_

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

Place \_\_\_\_\_

Date \_\_\_\_\_

Witness  
 \_\_\_\_\_

Signature  
 (Name and Address)

Place \_\_\_\_\_

Date \_\_\_\_\_

Second party

\_\_\_\_\_

Signature of/on behalf of the Secretary,  
 Department of Scientific & Industrial Research

Place \_\_\_\_\_

Date \_\_\_\_\_

Witness  
 \_\_\_\_\_

Signature  
 (Name and address)

Place \_\_\_\_\_

Date \_\_\_\_\_

#### PART C

Certified that the above information is true to the best of our knowledge and belief.

We undertake to :

- (i) maintain separate accounts for both revenue and capital expenditure on scientific research including that on in-house Research and Development facility, which shall be annually audited by an accountant as defined in sub-section (2) of section 288 of the Income-tax Act, 1961, and a copy of which has to be attached with the return of income under sub-section (1) of section 139 to claim deduction under sub-section (2AB) of section 35;
- (ii) submit annual progress reports to the Secretary, Department of Scientific and Industrial Research;
- (iii) *render full co-operation in carrying out the Research and Development work relating to bio-technology or manufacture or production of any eligible article or thing under sub-section (2AB) of section 35 of the Act;*
- (iv) *ensure that the company does not manufacture any product listed in the Eleventh Schedule of the Act;*

- (v) ensure that the company shall reflect the capital and revenue expenditure on in-house research and development facility in the schedules/notes to accounts in the audited financial statement of the company prepared for the purposes of its annual report and for the purposes of computation of income-tax;
- (vi) submit the information as per Annexure-I and Annexure-II every year for the approved period on or before the due date specified in Explanation 2 to sub-section (1) of section 139 of the Act for furnishing the return of income;
- (vii) ensure that the assets acquired by the approved facility will be utilised only for the approved purpose and shall not be disposed of without the approval of the Secretary, Department of Scientific and Industrial Research.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Place \_\_\_\_\_

Date \_\_\_\_\_

**Notes :**

1. Six sets of duly filled applications are to be submitted to the Secretary, Department of Scientific & Industrial Research.
2. Copy of the latest Annual Report along with Balance Sheet has to be enclosed.
3. Enclose a copy of DSIR recognition of the in-house (R&D) centre.

*Annexure-I*

(a) Information to be furnished separately in respect of each research and development facility approved by prescribed authority under section 35(2AB) of the Act.

1. Name and address of the registered office of the company
2. Permanent Account Number of the company
3. Previous year
4. Assessment year
5. A brief note on progress of each of the projects shown in the application to the prescribed authority at the time of approval. Any changes with regard to the scope of the projects as originally envisaged may be highlighted.
6. Details of any additional projects taken up during the previous year.
7. Details of changes, if any, in the research and development infrastructure during the previous year.
8. Details of research and development achievements and technologies commercialised during the previous year.
9. Details of patents obtained and/or filed during the previous year.
10. Details of any other changes in the approved research and development centre.

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

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

Date :

Place :

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

(i) Equipment

(ii) Others

(a) .....

(b) .....

(c) .....

(iii) Total

C. Revenue expenditure :

(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 :