

FORM NO. 3CE

[See rule 6GA]

**Audit Report under sub-section (2) of section 44DA
of the Income-tax Act, 1961**

1. I/We have examined the accounts and records of _____ [name and address of the non-resident with permanent account number] relating to the business of the permanent establishment/fixed place of profession in India during the year ended on the 31st day of March, _____.
2. I/We have obtained all the information and explanations which, to the best of my/our knowledge and belief, were necessary for the purposes of the audit and for ascertaining the amount of income by way of royalty/fees for technical services earned by the assessee.
3. I/We certify that the right or property or contract in respect of which royalty/fees for technical services is paid is effectively connected with the permanent establishment/fixed place of profession in India.
4. I/We certify that the income by way of royalty/fees for technical services under section 44DA of the Income-tax Act, 1961 in respect of the assessment year _____ is Rs. _____.

The information relating to the income by way of royalty/fees for technical services is given in the Annexure to this Form. In my/our opinion and to the best of my/our information and according to the information given to me/us, the particulars given above are true and correct.

Signed
(Accountant)

Notes:

1. Delete whichever is not applicable.
2. This report is to be given by—
 - (a) a chartered accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949); or
 - (b) any person who, in relation to any State, is, by virtue of the provisions in sub-section (2) of section 226 of the Companies Act, 1956 (1 of 1956), entitled to be appointed to act as an auditor of companies registered in that State.
3. “Fees for technical services”, “royalty”, and “permanent establishment” shall have the same meaning as assigned to them in the *Explanation* to section 44DA of the Income-tax Act, 1961.
4. Where any of the matter stated in this report is answered in the negative or with a qualification, the report shall state the reasons therefor.

ANNEXURE

[See paragraph 3 of Form No. 3CE]

Details relating to income by way of royalty or fees

for technical services

PART A

1. Name of the non-resident assessee :
2. Address of the permanent establishment/fixed place of profession in India :
3. Permanent account number :
4. Assessment year :
5. Status :

PART B

6. Nature of business or profession.
7. (a) Whether books of account are prescribed under section 44AA, if yes, list of books so prescribed.
(b) Books of account maintained.
(In case books of account are maintained in a computer system, mention the books of account generated by such computer system.)
(c) List of books of account examined.
8. (a) Method of accounting employed in the previous year.
(b) Whether there has been any change in the method of accounting employed *vis-a-vis* the method employed in the immediately preceding previous year. Yes/No
(c) If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.

PART C

9. Date of agreement with Government of India or Indian concern (enclose a copy of the agreement).
10. Details of the intangible property such as know-how, copyrights, patents, etc. for use in respect of which or the contract in respect of which royalty/fees for technical services is payable.
11. (a) Name and address of the payer
(b) Whether it is an associated enterprise Yes/No

12. (a) Is royalty/fees for technical services payable in lump-sum or on other basis
(b) Details including rate, amount, etc.
13. Details of activity of the permanent establishment/fixed place of profession in India.
14. Nature of connection of the right or property or contract in respect of royalty/fees for technical services with the permanent establishment/fixed place of profession in India.
15. Details of expenditure or allowance which is not wholly and exclusively incurred for the business of the permanent establishment or fixed place of profession in India.
16. Head-wise details of head office expenditure or allowance allocable to the permanent establishment/fixed place of profession in India.
17. Details of reimbursement of actual expenses by the permanent establishment/fixed place of profession in India to head office or any of its other offices.

Signed
Accountant