

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
ending on the 31 st day of March, -----]
2. I/We have obtained all the information and explanation which to the best
of my/our knowledge and belief, were necessary for the purposes of 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 to 1956), entitled to be appointed to act as an auditor of companies registered in the State.
3. "Fees for technical service", "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 therefore.

Annexure

[See paragraph 3 of Form No. 3CE]

Details relating to income by way of royalty or fees for technical service

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 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-à-vis the method employed in the immediately preceding
previous year
Yes/No
(c) If answer to (b) above is in the affirmative, given details of such
change, and the effect thereof on the profit of loss

Part C

9. Date of agreement with Government of India or India 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 service is payable
11. (a) Name and address of the payer
(b) Whether it is an associated enterprise
12. (a) Is royalty/fees for technical services payable in lump sum or on other
basis.
(b) Details including rate amount, etc
13. Derails 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 of 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 factual expenses by the permanent establishment/ fixed place of profession in India to head office or any of its other offices

S
i
g
n
e
d

A

c
c
o
u
n
t
a
n
t

PROCEDUTDAL TIPS

1. Section 44DA provides for special provisions for special provisions for computing income by way of royalty or fees for technical services received from Government or an Indian concern in pursuance of an agreement entered into after 31-3-2003 by a non resident
2. Every such non resident shall keep and maintain books of accounts and other documents in accordance with section 44AA and get his accounts audited by a chartered accountant
3. The report of audit of accounts of the non resident shall be furnished in Form 3CE.
4. Form 3CE is to be signed by a chartered accountant or a person entitled to be appointed as an auditor of a company under section 226(2) of the Companies Act, 1956

