

## TERMS AND CONDITIONS OF RECOGNITION OF IN-HOUSE R&D UNITS

1. On receipt of recognition letter, the firm shall acknowledge by stating that they abide by the terms & conditions of the recognition.
2. In-house R&D units recognised by DSIR are also deemed to be registered. A separate certificate of registration\*\* is issued along with the recognition letter. The recognition would be valid for the period specified in the recognition letter and application for renewal of recognition shall be submitted in the prescribed proforma at least 3 months before the expiry of the valid recognition. Failure to submit application in time may lead to automatic lapsing of the registration & recognition.  
  
*\*\*However, the certificate of registration is not issued to R&D units of companies engaged in activities falling within the definition of 'hospital' as per notification No. 24/2007-Cus dt. 01.03.2007 and No.16/2007-central excise dt. 01.03.2007 issued by Department of Revenue.*
3. The recognition given by DSIR, Ministry of Science & Technology is not transferable.
  - In case there is a change in the location of R&D unit(s), the company should intimate DSIR forthwith returning the original documents along with a request to issue amended recognition letter and registration certificate, mentioning the new address.
  - In case there is the change in the name of the company, it should intimate DSIR forthwith returning the original documents along with a request to issue amended recognition letter and registration certificate, mentioning the new name.
4. In case of merger/de-merger/amalgamations, the department should be intimated immediately. The company should also spell out/reiterate its policy towards R&D and submit an undertaking to continue the R&D activities, budgets, staffing, etc. along with necessary documents including legal documents such as court orders, ROC certificate/returns, if any, within one month failing which the company should apply for fresh recognition.
5. Separate accounts shall be maintained for each R&D unit and the consolidated expenditures shall be reflected in the audited statement of accounts in the Annual Report.
6. The company should submit a copy of its Annual Report within 15 days of its publication, along with annual return containing brief summary of achievements of the R&D unit(s), new products developed, process developed/introduced, patents filed/granted, papers published, award and prizes received and any other achievements to DSIR at the end of every year.
7. Commercial exploitation of the know-how/process developed by the in-house R&D unit(s) will be solely governed by the licensing policies of the Government, in operation from time to time and the decision of the licensing authorities.
8. DSIR Recognition to In-house R&D unit(s) should not in any way be construed as approval for introduction of products/technologies developed in the R&D units, In the market. Companies shall obtain all necessary statutory and type approvals from the appropriate from the appropriate government authorities before introduction and /or marketing of the products /technologies. DSIR will not be responsible in any way for non-compliance of this, by the companies.
9. The recognition by DSIR does not amount to approval under any section of Income Tax Act. Tax concessions, rebates, import concessions etc, if any, will be governed by the tax laws in operation from time to time. All such matters should be taken up by the company directly with the concerned authorities.
10. The registration will entitle the In-house R&D units to avail of customs/excise duty exemption on purchase of equipment, instruments, spares thereof, consumables etc. used for research and development subject to relevant Government policies in force from time to time. Such exemptions will have to be separately applied for in the prescribed formats. The R&D units should also abide by the terms & conditions of the customs & central excise notifications issued/amended from time to time.
11. Disposal/sale of equipment and products/prototypes/intermediates, if any, emanating from the R&D/priot plant, should be intimated to DSIR immediately. The realization if any, from services rendered, disposal of above shall be shown in the R&D accounts of the firm as well as tax returns, as income of R&D unit. In case of disposal/sale of R&D equipment, clearance from customs/excise authorities will also be required in view of the applicable notifications under which the equipment was Imported/purchased in India.
12. Any violation of the terms & conditions mentioned above and/or provisions of taxation in force will make the firm liable to de-recognition.
13. The company will also conform to such other conditions for recognition stipulated in the Guidelines or as may be specifically provided in the recognition letter.

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