

## **Incentives offered by Govt.of India for facilitating R&D**

- ▶ 100% write off of revenue and capital expenditure on R&D
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- ▶ Weighted tax deduction @175% for sponsored research programmes in approved National Laboratories, Universities, and IITs U/s 35 (2AA) of IT ACT 1961
- ▶ Weighted tax deduction @175% for any sum paid to research associations (SIRO) U/s 35 (1) (ii) of IT ACT 1961
- ▶ **Weighted tax deduction @ 200% on R&D expenditure to companies U/s 35(2AB) of IT ACT 1961**
- ▶ IT exemption @125% on donations to research institutions engaged in social science & statistical research U/s 35 (1)(iii) of IT ACT 1961
- ▶ Accelerated depreciation allowance at 40% for investment on plant & machinery, made on the basis of indigenous technology as against 15% for normal depreciation as per rule 5(2) of IT rules
- ▶ Customs & central excise duty exemption to In-house R&D units of industry, SIROs for capital equipment & consumables needed for R&D.
- ▶ **Excise duty waiver for 3 years on goods** designed & developed by a wholly owned Indian company and patented in any two countries out of: India, USA, Japan and any one country of European Union( to be viewed in relation with the GST regime).
- ▶ Exemption from customs duty on imports made for R&D projects funded by Government in industry.
- ▶ Specified goods for use in pharmaceutical and biotechnology sectors allowed to be imported duty free by an importer registered with DSIR.