

Proposed FORM 14 is the statutory order through which an in-house research and development (R&D) facility of a company is formally approved for the purposes of section 45(2) of the Income-tax Act, 2025. The form is issued by the Department of Scientific and Industrial Research (DSIR) and represents the foundational approval for availing in-house R&D related tax incentives.

2. Legislative Framework

Section 45(2) of the Income-tax Act, 2025 provides for deduction in respect of expenditure incurred on approved in-house R&D facilities. RULE 29 of the Income-tax Rules prescribes the procedure, authority and forms for approval and oversight. FORM 14 operationalises the approval stage of this statutory framework.

3. Role of FORM 14 in the Compliance Lifecycle

FORM 14 represents the approval stage in the in-house R&D compliance lifecycle:

1. Application and agreement by the company in FORM 11;
2. Examination of facility and recognition by DSIR;
3. Grant of approval through FORM 14;
4. Ongoing reporting and audit through Forms 12 and 13;
5. Verification of deduction claims by the Income-tax Department.

4. Authority Competent to Issue FORM 14

FORM 14 is issued and signed by the Secretary, Department of Scientific and Industrial Research, acting as the prescribed authority under RULE 29.

5. Contents of FORM 14

FORM 14 records:

- identity and address of the company;
- nature of business and eligible products;
- objectives of scientific research to be undertaken;

- location of the in-house R&D facility;
- reference and date of the application in FORM 11;
- details and validity of DSIR recognition;
- confirmation of approval for purposes of section 45(2).

6. Nature and Effect of Approval

Approval granted through FORM 14:

- is facility-specific;
- is conditional upon continued DSIR recognition;
- does not by itself result in allowance of deduction.

Deduction under section 45(2) is allowable only upon fulfilment of statutory conditions and verification by the Income-tax Department.

7. Communication of Approval

Copies of FORM 14 are required to be forwarded to:

- the company;
- the Chief Commissioner of Income-tax having jurisdiction over the company.

This ensures coordination between scientific oversight and tax administration.

8. Withdrawal or Modification of Approval

Approval under FORM 14 may be withdrawn in cases of:

- non-compliance with conditions under section 45(2) or RULE 29;
- withdrawal or expiry of DSIR recognition;
- misutilisation of the in-house R&D facility.

9. Conclusion

FORM 14 is a critical instrument in the in-house research and development incentive regime under the Income-tax Act, 2025. By formally approving the facility and defining the scope of eligible research, it enables structured oversight and supports effective administration of deductions under section 45(2).