Form18 – Guidance Note

Application for notification of affordable housing project as specified business under section 46 of the Act

Name of form as per I.T. Rules, 1962	Form 3CN	Name of form as per I.T. Rules, 2026	18
Corresponding section of I.T. Act, 1961	35AD	Corresponding section of I.T. Act, 2025	46
Corresponding Rule of I.T. Rules, 1962	11-OA	Corresponding Rule of I.T. Rules, 2026	36

Purpose

Form No. 18 is prescribed for making an application for notification of an affordable housing project as a specified business under section 46 of the Act.

Notification of the project as a specified business enables the applicant to avail the tax benefits provided under section 46 in respect of eligible expenditure incurred for such business.

The form captures information relating to the applicant, the specified business, and the affordable housing project, and facilitates verification of compliance with the conditions prescribed under the rules.

Who Should File

Form No. 18 is required to be furnished by an assessee who seeks notification of an affordable housing project, carried on or proposed to be carried on by the applicant, as a specified business under section 46 of the Act.

Filing of the form is mandatory for making an application for notification of the project for the purposes of claiming the benefits under section 46.

Structure of Form

Form No. 18 consists of the following main parts:

1. Particulars of the assessee

2. Particulars of the specified business

3. Details of proposed project

4. Fulfilment of conditions

5. Other details

6. Declaration

What are the documents required to file the Form

The following documents may be required to be attached as annexures to Form No. 18:

1. Copy of the agreement relating to development of the project, where applicable.

2. Letter of sanction of the project issued by the competent authority under the Affordable Housing in Partnership Scheme.

3. Letter of approval of layout and specifications including design of the project issued by the State Government or Union Territory Government or its designated implementing agency.

These documents assist in verification of the eligibility of the project for notification under section 46.

What is the process flow of filing Form

The process flow broadly involves the following steps:

1. The applicant prepares Form No. 18 by furnishing the required information relating to the assessee, the specified business and the affordable housing project.

2. Relevant supporting documents and annexures are attached to the form wherever required.

3. The completed form is furnished electronically through the income-tax e-filing portal in the manner prescribed.

4. The application is examined by the Income-tax Department to verify compliance with the provisions of section 46 and the conditions prescribed under rule 36.

5. Based on such examination, the competent authority may grant notification of the project as a specified business under section 46, subject to satisfaction of the prescribed conditions.

Outcome of Processed Form

Upon processing of the application:

• If the project satisfies the prescribed conditions, the affordable housing project may be notified as a specified business under section 46.

• Upon such notification, the applicant may claim the tax benefits available under section 46 in respect of the eligible expenditure incurred for the project.

• In cases where the conditions prescribed under the Act or rules are not fulfilled, the application may not be approved.

Common Changes made across Forms

1. To make Forms system-friendly and enable e-filing and uploading, certain anomalies found due to grouping of Name, Designation, Address, PAN and Aadhaar number have been separated into different boxes.

2. Assessment / Financial / Previous year or years have been replaced with Tax year or years, wherever appearing in the Form/Annexure.

3. Sections, Clauses and Schedules changes as per the Income-tax Act, 2025.

4. Currency symbol "Rs." has been replaced with "₹".