

Proposed FORM 8 is the statutory order through which approval of a scientific research programme is formally granted under section 45(3)(c) of the Income-tax Act, 2025. The form is issued by the prescribed authority after examination of an application made by a sponsor in Form 7 and serves as the legal basis for monitoring and downstream tax compliance.

## **2. Legislative Context**

Section 45(3)(c) of the Income-tax Act, 2025 provides for deduction in respect of expenditure incurred on approved scientific research programmes. Rule 30 of the Income-tax Rules prescribes the authorities, procedures and conditions governing approval, reporting and oversight. FORM 8 operationalises the approval stage of this framework.

## **3. Role of FORM 8 in the Approval Lifecycle**

FORM 8 represents the second stage in the statutory lifecycle:

1. Application by sponsor in FORM 7;
2. Examination by the prescribed authority;
3. Grant of approval through FORM 8 within 2 months from the end of the month in which application is received;
4. Ongoing monitoring, reporting and audit;
5. Completion and final reporting.

The form crystallises the scope and limits of the approved programme.

## **4. Prescribed Authority and Signing of FORM 8**

FORM 8 is issued and signed by:

- the Head of the National Laboratory, University or Indian Institute of Technology, where the programme is executed through such institution; or

- an authorised officer not below the rank of Deputy Secretary, authorised by the Principal Scientific Adviser to the Government of India, in the case of a specified person.

## **5. Contents of FORM 8**

FORM 8 records the following key particulars:

- identity of the sponsor and executing institution;
- title and purpose of the approved research programme;
- reference number and date of the FORM 7 application;
- commencement date and approved duration;
- approved tax year(s), not exceeding five tax years;
- total approved cost of the programme;
- additional conditions, if any, imposed by the prescribed authority.

These particulars define the boundaries within which the programme must be executed.

## **6. Nature and Effect of Approval**

Approval granted through FORM 8 is:

- programme-specific and cost-specific;
- time-bound to the approved tax years;
- subject to conditions stipulated in the form and under Rule 30.

Issuance of FORM 8 does not, by itself, confer entitlement to deduction. Deduction is allowable only upon compliance with statutory conditions and verification by the Income-tax Department.

## **7. Conditions and Annexures**

FORM 8 may be accompanied by annexures specifying:

- detailed purpose of the programme;

- payment terms;
- any other conditions imposed by the prescribed authority, including conditions relating to intellectual property rights, utilisation or commercialisation of outcomes.

These annexures form an integral part of the approval order.

## **8. Communication and Jurisdictional Intimation**

Copies of FORM 8 are required to be forwarded to:

- the sponsor;
- specified scientific and governmental authorities;
- the Chief Commissioner of Income-tax having jurisdiction over the sponsor; and
- the Department of Scientific and Industrial Research.

This ensures alignment between scientific oversight and tax administration.

## **9. Post-Approval Compliance and Monitoring**

Following issuance of FORM 8, the sponsor and executing institution are required to:

- maintain separate books of account for the approved programme;
- ensure annual audit of programme accounts;
- submit periodic progress and expenditure reports;
- refrain from disposal of assets acquired for the programme without approval of the Chief Commissioner having jurisdiction over the sponsor;
- submit completion certificate and final research report on completion.

## **10. Withdrawal or Consequences of Non-compliance**

Failure to comply with conditions specified in FORM 8 or Rule 30 may lead to withdrawal of approval. In such cases, expenditure incurred may cease to qualify for deduction under section 45(3)(c).

## **11. System-driven Administration under the Income-tax Act, 2025**

Proposed FORM 8 is envisaged as a system-generated, electronically issued order. Auto-population from FORM 7, standardised fields and electronic communication are intended to enhance transparency, reduce discretion and ensure traceability across the compliance lifecycle.

## **12. Conclusion**

FORM 8 is a central instrument in the scientific research incentive regime under the Income-tax Act, 2025. It formalises approval, defines enforceable conditions and enables coordinated oversight between scientific institutions and the tax administration. Sponsors are advised to carefully review the approval order and ensure strict adherence to its terms to safeguard eligibility for deduction.