

## **FORM 11 - Frequently Asked Questions (FAQs)**

### **Form of Application under Section 45(2) read with Rule 29 of the Income-tax Rules, 2026**

<b>Name of form as per I.T. Rules, 1962</b>	<b>Form 3CK</b>	<b>Name of form as per I.T. Rules, 2026</b>	<b>FORM 11</b>
<b>Corresponding section of I.T. Act, 1961</b>	<b>Section 35</b>	<b>Corresponding section of I.T. Act, 2025</b>	<b>Section 45(2)</b>
<b>Corresponding Rule of I.T. Rules, 1962</b>	<b>6</b>	<b>Corresponding Rule of I.T. Rules, 2026</b>	<b>RULE 29</b>

#### **1. What is FORM 11 ?**

FORM 11 is an application form prescribed under Rule 29 of the Income-tax Rules for entering into an agreement with the Department of Scientific and Industrial Research (DSIR) for cooperation in respect of an in-house research and development (R&D) facility and for audit of accounts maintained by such facility, for the purposes of section 45(2) of the Income-tax Act, 2025.

#### **2. What is the purpose of FORM 11?**

The purpose of FORM 11 is to:

- enable a company to seek approval of its in-house R&D facility;
  - formalise cooperation between the company and DSIR through an agreement;
  - ensure proper maintenance and audit of R&D accounts; and
  - establish eligibility for claiming deduction in respect of in-house R&D expenditure under section 45(2), subject to statutory conditions.
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### **3. Who is required to file FORM 11?**

FORM 11 is required to be filed by a company engaged in biotechnology or manufacture or production of an eligible article or thing (not specified in the Thirteenth Schedule) that maintains or proposes to maintain an in-house R&D facility and seeks approval under section 45(2).

### **4. With whom is the agreement under FORM 11 entered into?**

The agreement is entered into between the applicant company and the Department of Scientific and Industrial Research (DSIR), Government of India.

### **5. Is FORM 11 a one-time form or required to be filed annually?**

FORM 11 is generally a one-time application for approval of an in-house R&D facility. However, annual compliance and reporting obligations continue as prescribed under the Act, Rules and the terms of the agreement. The annual progress report and annual expenditure details are required to be filed in Annexure A and B of FORM 11 annually.

### **6. What information is required to be furnished in FORM 11?**

FORM 11 requires disclosure of:

- particulars of the company and its business;
- details of production and R&D expenditure for the past three tax years;
- details of existing in-house R&D facilities and DSIR recognition;
- proposed objectives of scientific research;
- undertakings relating to maintenance of accounts, audit and compliance;
- annexures detailing facility-wise expenditure and progress.

### **7. What is the role of DSIR in FORM 11?**

DSIR evaluates the feasibility and genuineness of the in-house R&D facility, enters into an agreement with the company, and submits its reports to the jurisdictional Chief Commissioner of Income-tax within the prescribed time.

## **8. Does filing FORM 11 guarantee deduction under section 45(2)?**

No. Filing and approval of FORM 11 is a pre-condition. Actual allowance of deduction depends on compliance with section 45(2), fulfilment of conditions in the agreement, and verification by the Income-tax Department.

## **9. What are the key post-approval obligations of the company?**

The company is required to:

- maintain separate audited accounts for R&D expenditure;
- submit annual progress reports to DSIR;
- attach audited R&D accounts with the return of income;
- ensure assets of the facility are used only for approved purposes;
- furnish annual information in Annexure I and Annexure II.

## **10. What happens if conditions of the agreement are violated?**

Non-compliance with conditions of section 45(2), Rule 29 or the agreement may result in withdrawal of approval and denial of deduction.

## **11. How does FORM 11 differ from Forms FORM 7 –10?**

FORM 11 relates specifically to in-house R&D facilities of companies under section 45(2), whereas Forms **FORM 7 –10** relate to sponsored scientific research programmes under section 45(3)(c).