

FORM 12 - Frequently Asked Questions (FAQs)

Form of Statutory Report under Section 45(2) read with RULE 29 of the Income-tax Rules, 2026

Name of form as per I.T. Rules, 1962	Form 3CL	Name of form as per I.T. Rules, 2026	FORM 12
Corresponding section of I.T. Act, 1961	Section 35	Corresponding section of I.T. Act, 2025	Section 45(2)
Corresponding Rule of I.T. Rules, 1962	6	Corresponding Rule of I.T. Rules, 2026	RULE 29

What is FORM 12?

FORM 12 is a statutory report furnished by the prescribed authority to the Chief Commissioner of Income-tax having jurisdiction over the company, in respect of an approved in-house research and development (R&D) facility under section 45(2) of the Income-tax Act, 2025, read with RULE 29 of the Income-tax Rules.

2. What is the purpose of FORM 12?

The purpose of FORM 12 is to:

- report the examination and evaluation of the in-house R&D facility;
- certify the nature, adequacy and recognition status of the facility;
- quantify and report eligible expenditure incurred on the approved facility;
- enable jurisdictional tax authorities to verify and monitor deductions claimed by the company under section 45(2).

3. Who is required to furnish FORM 12?

FORM 12 is required to be furnished by the prescribed authority, namely the Secretary, Department of Scientific and Industrial Research (DSIR), or such authority as notified under RULE 29.

4. To whom is FORM 12 furnished?

FORM 12 is furnished to the Chief Commissioner of Income-tax having jurisdiction over the company. A copy is also provided to the company for its records.

5. Is FORM 12 required to be filed by the company?

No. FORM 12 is not required to be filed by the company. It is an institutional report furnished by the prescribed authority as part of the statutory oversight mechanism.

6. What information is contained in FORM 12?

FORM 12 contains, inter alia:

- particulars of the company and its principal officer;
- nature of business and its linkage with research objectives;
- details and adequacy of in-house R&D facilities;
- DSIR recognition details;
- confirmation of agreement entered under Form 11;
- details of eligible capital and revenue expenditure;
- information relating to disposal of assets, if any.

7. What is the relevance of expenditure details reported in FORM 12?

The expenditure details reported in FORM 12 provide the basis for verifying the amount of expenditure eligible for deduction under section 45(2), subject to statutory conditions.

8. Does FORM 12 determine the final allowability of deduction?

No. FORM 12 is a reporting and certification instrument. Final allowability of deduction is subject to verification by the Income-tax Department during processing or assessment.

9. Is FORM 12 furnished annually?

Yes. FORM 12 is required to be furnished periodically in respect of each approved in-house R&D facility, covering expenditure incurred during the relevant tax year, as prescribed under RULE 29.

10. What happens if discrepancies are noticed in FORM 12?

Discrepancies or adverse findings reported in FORM 12 may lead to further verification by the Income-tax Department and may impact the deduction claimed under section 45(2).

11. How does FORM 12 fit into the overall compliance framework?

FORM 12 completes the reporting and quantification stage of the in-house R&D incentive regime, linking FORM 14 approval with deduction claims under section 45(2).