

Form 29 – Frequently Asked Questions (FAQs)

Certificate regarding achievement and maintenance of prescribed level of production in case of amalgamation

Name of form as per I.T. Rules, 1962	Form 62	Name of form as per I.T. Rules, 2026	Form 29
Corresponding section of I.T. Act, 1961	72A(2)(iii)	Corresponding section of I.T. Act, 2025	116(4)(b)(iii)
Corresponding Rule of I.T. Rules, 1962	9C	Corresponding Rule of I.T. Rules, 2026	60

1. What is Form **29**?

Ans: Form **29** is a certificate prescribed under Rule **60** of the Income Tax Rules, **2026**, to be furnished by the amalgamated company for certifying that it has achieved and continued to maintain the prescribed level of production of the industrial undertaking(s) acquired through amalgamation. The form is required for availing the benefit of carry forward and set-off of accumulated loss and unabsorbed depreciation under Section **116(4)(b)(iii)** of the Income Tax Act, **2025**.

2. Who is required to file Form **29**?

Ans: Form **29** is required to be filed by every amalgamated company which:

- Has acquired one or more industrial undertakings by way of amalgamation, and
- Intends to claim the benefit of carry forward or set-off of accumulated losses and unabsorbed depreciation of the amalgamating company under Section **116(4)(b)(iii)** of the Income Tax Act, **2025**.

3. Is Form **29** mandatory?

Ans: Yes. Furnishing Form **29** is mandatory for an amalgamated company seeking tax benefits under Section **116(4)(b)(iii)** of the Income Tax Act, **2025**. Non-furnishing or incorrect furnishing of Form **29** may result in denial of the benefit of carry forward or set-off.

4. What is the prescribed level of production for the purpose of Form **29**?

Ans: As per Rule **60** of the Income Tax Rules, **2026**:

- The amalgamated company must achieve at least 50% of the installed capacity of production of the amalgamated undertaking
- Before the end of four years from the date of amalgamation, and continue to maintain such level up to five years from the date of amalgamation.

5. What is meant by “installed capacity”?

Ans: For the purposes of Rule **60** of the Income Tax Rules, **2026** and Form **29**, installed capacity means the capacity of production existing on the date of amalgamation of the undertaking.

6. When should Form **29** be filed?

Ans: Form **29** must be furnished:

- Along with the return of income for the tax year in which the prescribed level of production is first achieved, and
- Along with the returns for each subsequent tax year falling within five years from the date of amalgamation.

7. How many times is Form **29** required to be filed?

Ans: Form **29** is year-specific. It is required to be filed:

- For the year in which 50% production is achieved, and
- For every subsequent year up to five years from the date of amalgamation, as long as the condition of maintenance of production applies.

8. Can Form **29** cover more than one amalgamating company?

Ans: Yes. The new Form 29 has been redesigned to allow reporting details of multiple amalgamating companies.

9. Who is required to sign and verify Form **29**?

Ans: The form must be signed by the principal officer of the amalgamated company. It must be verified by an accountant, as defined under section 515(3)(b) of the Income Tax Act, 2025.

10. What documents are required for furnishing Form **29**?

Ans: The following documents/records are generally required:

- Books of account of the amalgamated company
- Production and capacity utilization records
- Details of installed capacity as on the date of amalgamation
- Records evidencing achievement and maintenance of prescribed production levels
- Auditor's working papers supporting the certification

11. Can Form **29** be filed offline?

Ans: No. The Form **29** is to be filed electronically through the Income-tax portal, with system-generated validations, pre-filled PAN data, and digital verification.

12. What happens if the prescribed level of production is not maintained?

Ans: If the amalgamated company fails to maintain the prescribed level of production: The benefit of carry forward and set-off under Section **116(4)(b)(iii)** of the Income Tax Act, **2025** may be withdrawn, and past allowances may become liable to re-computation as per law.

13. Is there any relaxation available if production targets cannot be achieved?

Ans: Yes. The Central Government may relax:

- The level of production,
- The period for achieving the production, or
- Both,

in suitable cases, having regard to genuine efforts made by the amalgamated company and circumstances beyond its control.

14. Why is Form **29** important?

Ans: Form **29** is critical because it:

- Establishes compliance with Rule **60** of the Income Tax Rules, **2026** conditions
- Enables continuation of tax benefits under Section **116(4)(b)(iii)** of the Income Tax Act, **2025**.
- Provides statutory assurance to the Assessing Officer
- Reduces litigation and future disputes relating to amalgamation benefits

15. Where is Form **29** referred to in the Income-tax Rules?

Ans: Form **29** is referred to in Rule **60** of the Income Tax Rules, **2026**, which mandates furnishing of the certificate along with the return of income.
