

Guidance Note on Form 20

Form 20 is an Income-tax form used by an assessee to apply for approval of an Agricultural Extension Project under Section 47(1)(a) of the Income-tax Act, 2025, in accordance with Rule 37.

Purpose of Form 20

The primary purpose of filing Form 20 is to:

- Apply for approval of an Agricultural Extension Project under Section 47(1)(a) of the Income-tax Act, 2025.
- Seek recognition for projects undertaken for training, education and guidance of farmers.
- Enable eligibility for tax benefits associated with approved agricultural extension projects.
- Ensure regulatory oversight, transparency, and compliance with statutory conditions.

Filing Requirements

- **Who can file:** Any assessee (company, partnership firm, proprietary concern, Co-operative society, trust etc.) undertaking an Agricultural Extension Project and seeking approval under Section 47(1)(a) of the Income-tax Act, 2025.
- **When to file:** Form 20 must be filed before undertaking the Agricultural Extension Project, as prescribed under Rule 37, and prior to seeking notification.
- **How to file:** The Form must be filed electronically through the Income-tax e-Filing portal using:
 - Digital Signature Certificate (DSC), or
 - Electronic Verification Code (EVC)

Information required

The Form requires:

Part A — Applicant Details

- Name
- PAN
- Address
- Date of incorporation
- Email ID
- Contact number
- Tax Year

Part B — Project Details

- Whether the project was previously notified or revoked
- Nature of business
- Project start date and expected completion date
- Date from which notification is requested
- Charges proposed from beneficiaries (if any)

- Ministry of Agriculture approval status
- Return of Income details for the last three Tax Years
- Penalty and outstanding tax demand details
- Annexures and project documentation

Frequency and Due Date

- **Frequency:** Form 20 is an application form to seek approval under Section 47(1)(a) of the Income-tax Act, 2025. It is generally filed once per project, or when renewal is sought.
- **Due Date:** There is no fixed statutory due date, but the Form must be filed before commencement of the project.

Structure of Form 20

- **Part A — Particulars of the Applicant**

This section captures:

- Name and PAN
- Address
- Date of incorporation
- Email and contact details

- **Part B — Particulars of the Agricultural Extension Project**

This section captures:

- Details of prior notifications or revocations (if any)
- Nature of business
- Project commencement and completion timeline
- Beneficiary-wise proposed charges
- Ministry of Agriculture approval details
- Return of Income data for last three Tax Years
- Penalties and outstanding tax demands
- Project annexures and expenditure projections

- **Declaration/Verification:** The Form concludes with a declaration by the authorized signatory, confirming that the information provided is true and correct to the best of their knowledge and belief. Verification must be completed using DSC or EVC.

Documents Required

- Copy of approval letter from the Ministry of Agriculture and Farmers Welfare, Government of India
- Memorandum and Articles of Association (if applicable)
- Detailed project note (objectives, stages, expected results, usefulness)
- Details of capital and revenue expenditure (excluding land/building)
- Audited annual accounts for the last three Tax Years
- Copies of prior notifications or revocation orders (if any)
- Return of Income filings for the last three Tax Years

Outcome Details

- **Deficiency Notice and Rectification:** If defects are found, the applicant will be intimated to rectify them within one month, failing which the application may be treated as invalid.
- **Notification under Section 47(1)(a):** If the application is complete and approved:
 - The Board issues a notification in Form 21
 - The notification is published in the Official Gazette
 - Approval is valid for up to three Tax Years

Renewal of Approval

The assessee may apply for renewal at least three months before expiry of the existing approval period.

Revocation of Approval

Approval may be revoked if:

- Project activities cease
- Activities are not genuine
- Conditions of approval are violated
- Statutory requirements under Rule 37 are not complied with

UDIN, FRN and DSC Requirements

- **UDIN (Unique Document Identification Number):** Where a Chartered Accountant certifies or audits supporting documents, a UDIN must be generated and quoted in the certification.
- **FRN (Firm Registration Number):** If certification is issued by an audit firm, the Firm Registration Number (FRN) must be mentioned.
- **DSC (Digital Signature Certificate):** A valid DSC is required where digital signing mode is selected for submission.

Key Points to Note

- Filing Form 20 is mandatory to seek approval under Section 47(1)(a)
- Only projects meeting Rule 37 conditions qualify
- Expected expenditure (excluding land/building) must exceed ₹25 lakh
- Prior approval from the Ministry of Agriculture is compulsory
- “Tax Year” terminology is used in place of Assessment/Previous Year
- Accurate disclosures help avoid delays or rejection

Challenges and Solutions

The revised Form 20 is designed as a smart form to improve ease of compliance through:

- Auto-population of taxpayer details
- Real-time validations and error handling
- Standardized name and address fields
- Improved annexure tracking

Common Changes Across Forms

- Replacement of Assessment Year / Previous Year with Tax Year
- Updated section and rule references aligned with the Income-tax Act, 2025
- Enhanced digital verification and structured annexures