

## **FORM 21— Frequently Asked Questions (FAQs)**

### **Notification format for Agricultural Extension Project under Section 47(1)(a) of the Income-tax Act, 2025**

<b>Name of Form as per I.T. Rules, 1962</b>	<b>3CP</b>	<b>Name of Form as per I.T. Rules, 2026</b>	<b>21</b>
<b>Corresponding section of I.T. Act, 1961</b>	<b>35CCC</b>	<b>Corresponding section of I.T. Act, 2025</b>	<b>47(1)(a)</b>
<b>Corresponding Rule of I.T. Rules, 1962</b>	<b>6AAD</b>	<b>Corresponding Rule of I.T. Rules, 2026</b>	<b>37</b>

#### **1. What is Form 21?**

**Ans:** Form 21 is an Income-tax notification form issued for an approved agricultural extension project under Section 47(1)(a) of the Income-tax Act, 2025, pursuant to approval granted under Rule 37.

#### **2. What is the purpose of Form 21?**

**Ans:** The primary purpose of Form 21 is to:

- Notify an approved agricultural extension project in the Official Gazette.
- Specify the Tax Year(s) for which the project is approved.
- Lay down the terms, conditions, duration, and expenditure limits applicable to the project.
- Enable tax benefits linked to approved agricultural extension projects under Section 47(1)(a).

#### **3. Who issues Form 21?**

**Ans:** Form 21 is issued by the Central Board of Direct Taxes (CBDT) after satisfaction that the project meets conditions prescribed under Rule 37.

#### **4. When is Form 21 issued?**

**Ans:** Form 21 is issued after Form 20 is examined and approved, and the project qualifies for notification under Section 47(1)(a) of the Income-tax Act, 2025.

#### **5. What details are contained in Form 21?**

**Ans:** Form 21 contains:

- Name, address, and PAN of the applicant.
- Reference number and date of application.
- Title and purpose of the agricultural extension project.
- Date of commencement and duration of the project.
- Approved Tax Year(s).
- Estimated total project expenditure (excluding land/building).
- Charges, if any, proposed to be collected from beneficiaries.

- Specific conditions imposed on the project.

**6. Which agricultural extension projects are eligible to be notified under Form 21?**

**Ans:** A project is eligible if:

- It is undertaken for training, education, and guidance of farmers.
- It has prior approval from the Ministry of Agriculture and Farmers Welfare.
- Expected expenditure (excluding land/building) exceeds ₹25 lakh.
- It complies with Rule 37 of the Income-tax Rules, 2025.

**7. For how long is an agricultural extension project notified under Form 21?**

**Ans:** The project may be notified for a period not exceeding three Tax Years, as specified in the notification.

**8. Can the notification under Form 21 be extended?**

**Ans:** Yes. The assessee may apply for renewal or extension of notification at least three months before expiry of the existing approval period.

**9. What happens after Form 21 is issued?**

**Ans:** After issuance:

- The notification is published in the Official Gazette.
- Copies are sent to:
  - The applicant
  - Ministry of Agriculture and Farmers Welfare
  - Jurisdictional Commissioner of Income-tax
  - State Department of Agriculture
  - Agricultural Technology Management Agency (ATMA)

**10. Can Form 21 be revised or withdrawn?**

**Ans:** No. Once Form 21 is issued and published, it cannot be revised or withdrawn, except through revocation proceedings under Rule 37.

**11. Under what circumstances can a Form 21 notification be revoked?**

**Ans:** Notification may be revoked if:

- The assessee ceases project activities.
- Project activities are not genuine.
- Conditions of approval are violated.
- Provisions of Rule 37 or Rule 38 are not complied with.

**12. Is any compliance required after Form 21 is issued?**

**Ans:** Yes. The assessee must:

- Follow all conditions mentioned in Form 21.
- Ensure project funds are used only for approved purposes.
- Maintain records for monitoring and reporting.

**13. Is any information in Form 21 auto-filled?**

**Ans:** Yes. Some information may be auto-populated based on Form 20 and departmental records.

**14. How is Form 21 authenticated and verified?**

**Ans:** Form 21 is authenticated through:

- Authorized CBDT officer's signature.
- Official notification in the Gazette of India.

**15. When are UDIN and FRN applicable in relation to Form 21?**

**Ans:**

- **UDIN (Unique Document Identification Number):** Where Chartered Accountant certification supports expenditure or audit reporting, UDIN must be generated and quoted.
- **FRN (Firm Registration Number):** If certification is issued by an audit firm, the Firm Registration Number (FRN) must be disclosed.
- **DSC (Digital Signature Certificate):** A valid DSC is required for electronic submission of related filings.

**16. What are common reasons for rejection or cancellation of Form 21 notification?**

**Ans:**

- Incomplete or misleading project information.
- Failure to meet expenditure thresholds.
- Non-compliance with Ministry approval conditions.
- Violation of notification conditions.

**17. What is the objective of Form 21 under the Income-tax Act, 2025?**

**Ans:** Form 21 ensures:

- Formal Government notification of approved agricultural extension projects.
- Transparent disclosure of project scope, duration, and financial limits.
- Effective monitoring and accountability.
- Standardized implementation of Section 47(1)(a) under the Income-tax Act, 2025.