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Article on:

- Imp. Income-tax Forms





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“If people are doubting how far you can go, Go, so you cant hear them anymore”





From the Desk of the Chairman



CA Hardik Vyas,
Chairman,
Rajkot Branch of
WICASA

Dear student friends,

It gives me immense pleasure to begin my formal communication with you all as the Chairman of the Rajkot Branch of WICASA. I started my journey in WICASA as a committee member years back, and now I feel extremely grateful to takeover the Chairpersonship from CA Deepthi Savjani. WICASA has always been dear to me for the fact that I get to connect with the youngest prospective members of ICAI.

We are planning several events in this upcoming year which shall ensure all round development of the students. I aim to make best of the upcoming year and the managing committee has already been drawing plans for the upcoming events, announcements of which shall be made in due course.

I also invite for suggestions from you all with regard to expected events that you would like to be conducted by us and the topics to be covered. Further, I also request you all to contribute your articles, artwork, etc. for the next edition of newsletter.

Wishing you all the best for the upcoming examinations !





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Imp. Income-tax Forms

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Some Rarely used Income Tax Forms

We all have knowledge about generally used Income Tax Forms like Form 3CA, Form 3CB, Form 3CD, Form 26Q, Form 24Q, Form 16A etc. We all are familiar with these Income Tax Forms as they part of our season-to-season office life but friends there are many more Income Tax Forms other than all these which are rarely used by us and only few of us have knowledge about these forms.

Basic Information of some Income Tax Forms

1. Form No. 9: Application for grant of approval or continuance thereof to a fund under Section 10(23AAA) of the Income-tax Act, 1961

As per Section 10(23AAA) any income received by any person on behalf of a fund established, for such purposes as may be notified by the Board in the Official Gazette, for the welfare of employees or their dependants and of which fund such employees are members if such fund fulfils the following conditions, namely: —

(a) the fund—

- (i) applies its income or accumulates it for application, wholly and exclusively to the objects for which it is established; and
- (ii) invests its funds and contributions and other sums received by it in the forms or modes specified in sub-section (5) of section 11;

(b) the fund is approved by the Principal Commissioner or Commissioner in accordance with the Rule 16C made in this behalf:





Provided that any such approval shall at any one time have effect for such assessment year or years not exceeding three assessment years as may be specified in the order of approval.

✓ **Rule 16C :**

- (1) The fund shall be formed under a trust and it shall be evidenced by a trust deed.
- (2) The contributions to the fund are to be made by the employees by way of periodical subscription.
- (3) The application for approval of any fund under clause (23AAA) of section 10 shall be made in Form No. 9 to the Commissioner having jurisdiction over the area or territory in which the accounts are kept and such application shall be accompanied by the documents mentioned therein.
- (4) Where the Commissioner is satisfied that all the conditions laid down in clause (23AAA) of section 10 are fulfilled in the case of the fund, he shall record such satisfaction in writing and grant approval to the fund specifying the assessment year or years for which the approval is valid so however that such approval shall, at one time, have effect for such assessment year or years not exceeding three assessment years.
- (5) Where the Commissioner is satisfied that one or more of the conditions laid down in clause (23AAA) of section 10 are not fulfilled, he shall reject the application for approval, after recording the reasons for such rejection in writing.

Provided that no order of rejection of an application shall be passed without giving an opportunity of being heard.

2. Form 10BA : Declaration to be filed by the assessee claiming deduction u/s 80GG

- ✓ Section 80GG - Deductions in respect of rents paid

In computing the total income of an assessee, not being an assessee having any income falling within clause (13A) of [section 10](#), there shall be deducted any expenditure incurred by him in excess of 10% of his total income towards





payment of rent in respect of any furnished or unfurnished accommodation occupied by him for the purposes of his own residence, to the extent to which such excess expenditure does not exceed ₹ 5000 per month or 25% of his total income for the year, whichever is less, and subject to such other conditions or limitations as may be prescribed in Rule 11B, having regard to the area or place in which such accommodation is situated and other relevant considerations :

Provided that nothing in this section shall apply to an assessee in any case where any residential accommodation is—

- (i) owned by the assessee or by his spouse or minor child or, where such assessee is a member of a Hindu undivided family, by such family at the place where he ordinarily resides or performs duties of his office or employment or carries on his business or profession; or
- (ii) owned by the assessee at any other place, being accommodation in the occupation of the assessee, the value of which is to be determined under clause (a) of sub-section (2) or, as the case may be, clause (a) of sub-section (4) of [section 23](#).

For the purpose of this section, Total Income means Income before allowing deduction for any expenditure.

✓ **Rule 11B :**

The deduction to be allowed under section 80GG in respect of any expenditure incurred by an assessee towards payment of rent for any furnished or un-furnished accommodation occupied by him for the purposes of his own residence shall be allowed subject to the condition that the assessee files the declaration in Form No. 10BA.

3. Form 10CCD : Certificate under sub-section (3) of section 80QQB for Authors of certain books in receipt of Royalty income, etc.

✓ **Section 80QQB : Deduction in respect of royalty income, etc., of authors of certain books other than text-books**

- (1) Where in the case of an individual resident in India, being an author, the gross total income includes any income derived by him in the course of his profession, on account of any lump sum consideration for the assignment or grant of any of his interests in the copyright of any book





being a work of literary, artistic or scientific nature, or of royalty or copyright fees (whether receivable in lump sum or otherwise) in respect of such book, there shall, in accordance with and subject to the provisions of this section, can be allowed in computing the total income of the assessee as deduction from such income computed in the manner specified in sub-section (2).

(2) The deduction under this section shall be equal to the whole of such income referred to in sub-section (1), or an amount of ₹ 3,00,000 whichever is less.

(3) No deduction under this section shall be allowed unless the assessee furnishes a certificate in the prescribed form and in the prescribed manner, duly verified by any person responsible for making such payment to the assessee as referred to in sub-section (1), along with the return of income setting forth such particulars as may be prescribed.

✓ Rule 19AC:

(1) The certificate, which is required to be furnished by the assessee under sub-section (3) of section 80QQB from a person responsible for making payment to the assessee, shall be in Form No. 10CCD.

(2) The certificate in Form No. 10CCD duly verified by the person responsible for making the payment to the assessee is required to be furnished along with the return of income

4. Form 10DA : Report under section 80JJAA of the Income Tax Act, 1961

✓ Section 80JJAA : Deduction in respect of employment of new employees

(1) Where the gross total income of an assessee to whom [section 44AB](#) applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the previous year, for 3 assessment years including the assessment year relevant to the previous year in which such employment is provided.

(2) No deduction under sub-section (1) shall be allowed —

(a) if the business is formed by splitting up, or the reconstruction, of an existing business:





Provided that nothing contained in this clause shall apply in respect of a business which is formed as a result of re-establishment, reconstruction or revival by the assessee of the business in the circumstances and within the period specified in [section 33B](#);

- (b) if the business is acquired by the assessee by way of transfer from any other person or as a result of any business reorganisation;
- (c) unless the assessee furnishes alongwith the return of income the report of the accountant, as defined in the Explanation to [section 288](#) giving such particulars in the report as may be prescribed

For the purposes of this section —

- (i) "additional employee cost" means the total salary paid or payable to additional employees employed during the previous year:

Provided that in the case of an existing business, the additional employee cost shall be nil, if—

- (a) there is no increase in the number of employees from the total number of employees employed as on the last day of the preceding year;
- (b) Salaries are paid otherwise than by an account payee cheque or account payee bank draft or by use of electronic clearing system through a bank account:

Provided further that in the first year of a new business, salaries paid or payable to employees employed during that previous year shall be deemed to be the additional employee cost;

- (ii) "additional employee" means an employee who has been employed during the previous year and whose employment has the effect of increasing the total number of employees employed by the employer as on the last day of the preceding year, but does not include—

- (a) an employee whose total salaries are more than ₹ 25,000 per month; or
- (b) an employee for whom the entire contribution is paid by the Government under the Employees' Pension Scheme notified in accordance with the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; or
- (c) an employee employed for a period of less than 248 days during previous year; or
- (d) an employee who does not participate in the recognised provident fund





✓ **Rule 19AB :**

Report of an accountant which is required to be furnished by the assessee along with the return of income under clause (c) of sub-section (2) of section 80JJAA shall be in Form No.10DA

5. **Form 10E : Form claiming relief u/s 89(1)**

✓ **Section 89 : Relief when salary, etc., is paid in arrears or in advance**

Where an assessee is in receipt of a sum in the nature of salary, being paid in arrears or in advance or is in receipt, in any one financial year, of salary for more than 12 months or a payment which under the provisions of clause (3) of [section 17](#) is a profit in lieu of salary, or is in receipt of a sum in the nature of family pension as defined in the Explanation to clause (ii) of [section 57](#), being paid in arrears, due to which his total income is assessed at a rate higher than that at which it would otherwise have been assessed, the Assessing Officer shall on an application made to him in this behalf grant such relief as may be prescribed in the Rule 21AA.

✓ **Rule 21AA :**

Where the assessee, being a Government servant or an employee in a [company, co-operative society, local authority, university, institution, association or body] is entitled to relief under sub-section (1) of section 89, he may furnish to the person responsible for making the payment referred to in sub-section (1) of section 192, the particulars specified in Form No. 10E.



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RAJKOT BRANCH OF WICASA



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