

# FAQs on ITR-7



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Income Tax Department, Government of India

## Question 1:

### Who can file ITR-7?

#### Clarification:

ITR-7 Form can be used by persons including companies who are required to furnish return under section 139(4A) or section 139(4B) or section 139(4C) or section 139(4D).

The category of persons whose income is unconditionally exempt under various clauses of section 10, and who are not mandatorily required to furnish their return of income under the provisions of section 139, may use relevant ITR form for filing return.

From A.Y.2022-23 onwards ITR 7 will not be applicable to the persons whose income is unconditionally exempt.

## Question 2:

### While trying to file the ITR-7 claiming exemption under below sub-sections, I am not able to find the relevant dropdown in ITR 7 utility. What should I do in this regard?

Section 10(20); Section 10(23AA); Section 10(23AAB); Section 10(23BB); Section 10(23BBA); Section 10(23BBC); Section 10(23BBE); Section 10(23BBG); Section 10(23BBH); Section 10(23C)(i); Section 10(23C)(ii); Section 10(23C)(iii); Section 10(23C)(iiia); Section 10(23C)(iiiiaa); Section 10(23C)(iiiiaaa); Section 10(23C)(iiiiaaaa); Section 10(25)(i); Section 10(25)(ii); Section 10(25)(iii); Section 10(25)(iv); Section 10(25)(v); Section 10(25A); Section 10(26AAB); Section 10(26B); Section 10(26BB); Section 10(26BBB); Section 10(44)

#### Clarification:

The persons claiming exemptions in any of the above-mentioned sub-sections are not required to file ITR-7, They may use other ITR type as appropriate to file the return.

## Question 3:

### What is the manner of filing of ITR-7?

#### Clarification:

ITR-7 can be filed with the Income-tax Department electronically on the e-filing web portal of Income-tax Department ([www.incometax.gov.in](http://www.incometax.gov.in)) and verified in any one of the following manner–

- (i) Digitally signing the verification part, or
- (ii) Authenticating by way of electronic verification code (EVC), or
- (iii) Aadhaar OTP

(iv) By sending duly signed paper Form ITR-V – Income Tax Return Verification Form by post to CPC at the following address–  
Centralized Processing Centre, Income Tax Department, Bengaluru— 560500, Karnataka”.  
The Form ITR-V-Income Tax Return Verification Form should reach within 120/30 days from the date of e-filing the return.

The confirmation of the receipt of ITR-V at Centralized Processing Centre will be sent to the assessee on e-mail ID registered in the e-Filing account.

However, a political party shall compulsorily furnish the return in the manner mentioned at (i) above. In case an assessee is required to furnish a report of audit under sections 10(23C)(iv),10(23C)(v),10(23C)(vi),10(23C)(via),12A(1)(b),92E it shall be required to file such report electronically on or before the due date.

#### Question 4:

**Which information is required to be filled in PART A General of ITR-7 ?**

#### Clarification:

In part A General, furnish the information relating to identity of assessee, details of any project or institution run by the assessee during the year, section under which return is filled and section under which exemption has been claimed, details of registration/ provisional registration or approval under the Income Tax Act etc.

#### Question 5:

**What is the structure of the ITR-7 Form?**

#### Clarification:

ITR-7 form has been divided into Part A, Part B and Schedules.

Part-A – General information

Part-B – Statement of the total income and tax computation with respect to income chargeable to tax.

Schedule-I: Details of amounts accumulated/ set apart within the meaning of section 11(2) or in terms of third proviso to section 10(23C)/10(21) read with section 35(1) in last 7 financial years viz., previous years relevant to the current AY.

Schedule-D: Details of deemed application of income under clause (2) of Explanation 1 to sub-section (1) of section 11.

Schedule-J: Statement showing the investment of all funds of the Trust or Institution as on the last day of the previous year.

Part A-BS : Details of Application and Sources of Fund as on 31st March 2022

Schedule-LA: Details in case of a political party.

Schedule-ET: Details in case of an Electoral Trust

Schedule-VC: Details of Voluntary Contributions received.

Schedule AI: Aggregate of income derived during the year excluding voluntary contributions

Schedule ER: Amount applied to charitable or religious purposes in India – Revenue Account

Schedule EC: Amount applied to charitable or religious purposes in India – Capital Account

Schedule IE-1, IE-2, IE-3 and IE-4: Income and expenditure statements as applicable

Schedule-HP: Computation of income under the head Income from House Property.

Schedule-CG: Computation of income under the head Capital gains.  
Schedule-OS: Computation of income under the head Income from other sources.  
Schedule-OA: General information about business and profession  
Schedule-BP: Computation of income under the head "profit and gains from business or profession  
Schedule-CYLA: Statement of income after set off of current year's losses  
Schedule PTI: Pass through Income details from business trust or investment fund as per section 115UA, 115UB  
Schedule-SI: Statement of income which is chargeable to tax at special rates  
Schedule 115TD: Accreted income under section 115TD  
Schedule FSI: Details of income accruing or arising outside India  
Schedule TR: Details of tax relief claimed for taxes paid outside India  
Schedule FA: Details of Foreign Assets and Income from any source outside India  
Schedule-SH: Details of shareholding in an unlisted company  
Part B-TI: Computation of total income  
Part B-TTI: Computation of tax liability on total income  
Tax payments:  
1. Details of payments of Advance Tax and Self-Assessment Tax  
2. Details of Tax Deducted at Source (TDS) on Income (As per Form 16A/16B/16C/16D).  
3. Details of Tax Collected at Source (TCS)

#### Question 6:

**What are the schedules mandatorily required to be filled for claiming exemption in ITR-7 ?**

#### Clarification:

Certain schedules of ITR-7 return form are mandatorily required to be filled up by assessee claiming exemption under specific provisions, as per the following list :-

Exemption claimed under section along with Schedule is as follows:

- a. Political party claiming exemption u/s 13A (Schedule LA)
- b. Electoral Trust claiming exemption u/s 13B (Schedule ET)
- c. Trust/institution claiming exemption u/s 11 and 12 or 10(23C)(iv) or 10(23C)(v) or 10(23C)(vi) or 10(23C)(via) (Schedule AI)
- d. Assessee claiming exemption under any of the clauses of section 10(21), 10(22B), 10(23AAA), 10(23B), 10(23D), 10(23DA), 10(23EC), 10(23ED), 10(23EE), 10(23FB), 10(29A), 10(46), 10(47) and other clauses of section 10 where income is unconditionally exempt (Schedule IE 1)
- e. Assessee claiming exemption under sections 10(23A), 10(24) (Schedule IE 2)
- f. Assessee claiming exemption under sections 10(23C)(iiiab) or 10(23C)(iiiac) (Schedule IE 3)
- g. Assessee claiming exemption under sections 10(23C)(iiiad) or 10(23C)(iii ae) (Schedule IE 4)

#### Question 7:

**Is there any requirement to furnish information regarding any project/ institution run by the assessee?**

#### Clarification:

Yes, Name, Nature of activity, classification along with details of registration/ provisional registration or approval of the school/ college/university/hospital/research institution which is being run during the year. In case more than one projects etc. are being run by the assessee, please mention name of all such projects in separate rows

**Question 8:**

**What are the kind of activities in which institution can be involved?**

**Clarification:**

Following are the types of activities in which institution can be involved:

**Charitable & religious:**

A Relief of the poor

B Education

C Medical relief

D Preservation of environment (including watersheds, forests and wildlife)

E Preservation of monuments or places or objects of artistic or historic interest

F Object of general public Utility

G Yoga

H Religious

**Research:**

A Scientific Research

B Social Research

C Statistical research

D Any other research

News Agency

**Professional Bodies :**

A Law

B Medicine

C Accountancy

D Engineering

E Architecture

F Company secretaries

G Chemistry

H Materials management

I Town planning

J Any other profession

Trade union

Political party

Electoral trust

**Others :**

A Specified income arising to a body/ authority/ Board/ Trust/ Commission u/s 10(46)

B Infrastructure Debt fund u/s 10(47)

**Question 9:**

**Do I need to furnish the details of registration/provisional registration or approval obtained?**

**Clarification:**

Please fill the complete and correct details relating to registration/provisional registration or approval under the Income-tax Act. In case the assessee is registered/provisionally registered or approved under more than one section, then assessee has to indicate the registration section under which exemption is claimed in the return. Any mistake in such details may lead to denial of claim of exemption, if any.

**Question 10:**

**What are the dropdowns to be selected for the field "section under which registered/provisionally registered or approved/notified"?**

**Clarification:**

Enter the section under which registered/provisionally registered or approved/notified under the Income Tax Act.

Please specify the following by selecting the applicable dropdown :-

1. 10(23AAA)
2. 10(23C)(iv)
3. 10(23C)(v)
4. 10(23C)(vi)
5. 10(23C)(via)
6. 12A/12AA/12AB
7. 13B
8. 35
9. 80G(2)(b)
10. 80G(2)(a)(iv)
11. Other than the above u/s 80G

**Question 11:**

**Under which section ITR-7 return can be filed ?**

**Clarification:**

Section under which the ITR-7 return can be filed –

- (a) If filed voluntarily on or before the due date, 139(1)
- (b) If filed voluntarily after the due date, 139(4)
- (c) If it is a revised return, 139(5)
- (d) if it is a modified return, 92(CD)
- (e) If filed in pursuance to an order u/s 119(2)(b) condoning the delay, 119(2)(b)

**Question 12:**

### **Can ITR-7 be filed in response to notice/order?**

#### **Clarification:**

Yes, In case the return is being filed in response to a statutory notice, or in pursuance to an order under section 119(2)(b) condoning the delay, enter the Unique number/Document Identification Number(DIN) and date of the relevant statutory notice, or the date of condonation order or if filed u/d 92CD enter the date of advance pricing agreement.

#### **Question 13:**

### **Do I need to mention the Residential Status in ITR-7?**

#### **Clarification:**

Yes, Please specify the residential status in India whether it is Resident or Non-Resident.

#### **Question 14:**

### **Do I need to mention income included in total income for which claim under section 90/90A/91 has been made?**

#### **Clarification:**

Yes, Indicate whether any foreign source income is included in total income in respect of which relief for taxes paid outside India has been claimed u/s 90 or 91 or 90A. Please fill up the details of such income and tax relief claimed in Schedule FSI and Schedule TR respectively.

#### **Question 15:**

### **Can a representative assessee file ITR-7 ?**

#### **Clarification:**

Yes, In case the return is being filed by a representative assessee, furnish the following information:-

- (a) Name of the representative
- (b) Capacity of the representative
- (c) Address of the representative
- (d) PAN/Aadhaar Number of the representative

#### **Question 16:**

### **In previous year, I was a partner in a firm do I need to furnish this information in ITR-7 ?**

#### **Clarification:**

If you were partner in a firm at any time during the previous year, please furnish the name & PAN of the firm.

#### **Question 17:**

**What are the information required to be furnished if trust held unlisted equity shares at any time during the previous year?**

**Clarification:**

If you have held investment in any unlisted equity shares at any time during the previous year, please tick 'Yes' and furnish information about name, type & PAN of company, opening balance, shares acquired/transferred during the year and closing balance.

**Question 18:**

**Is there any project/institution required to specify the percentage( %) of engagement for charitable purposes in any activity in the nature of trade, commerce or business?**

**Clarification:**

Yes, the project/institution is required to specify the percentage( %) of engagement in any activity in the nature of trade, commerce or business when one of the charitable purposes is advancement of any other object of general public utility.

Note: The percentage (%) of receipt from trade, commerce or business to total receipts should incorporate for both with consideration or without consideration.

**Question 19:**

**Are trusts liable for audit under the Income-Tax Act?**

**Clarification:**

First ascertain whether you are liable to get your books of accounts audited in accordance with the provisions of the Income-tax Act.

If yes, Mention the specific provision of the Income tax Act under which you are liable to get your accounts audited.

Some of the provisions mandating audit report are:

- |                  |                |   |
|------------------|----------------|---|
| 1. 10(23C) (iv), | 2. 10(23C)(v), | 3. 10(23C)(vi),                         |
| 4. 10(23C) (via) | 5. 12A(1)(b)   | 6. 92E      7. Others (please specify). |

**Question 20:**

**What are the details of auditor required to be furnished ?**

**Clarification:**

Furnish the following details of auditor :

- (1) Name of the auditor signing the tax audit report
- (2) Membership No. of the auditor
- (3) Name of the auditor (proprietorship/firm)
- (4) Permanent Account Number (PAN)/Aadhaar No. of the proprietorship/firm
- (5) Date of report of the audit
- (6) Date of furnishing of the audit report
- (7) If liable to audit under any Act other than Income-tax Act, the name of the Act, section and date of furnishing the audit report.

**Question 21:**

**What is the form and due date of furnishing the Audit Report?**

**Clarification:**

Form 10B in case of charitable or religious trusts or institutions or Form 10BB under section 10(23C) or Form 3CEB in case of international transactions and specified domestic transactions shall be filed at least one month prior to due date for filing of return u/s 139(1).

**Question 22:**

**What are the various acts in which assessee is required to get their books of account audited other than income tax act?**

**Clarification:**

In case your accounts are required to be audited under any other law (other than Income-tax Act), Select the relevant provision mandating the audit and mention the date of furnishing such audit report.

List of other laws mandating audit:-

- 1 Banking Regulation Act,1949
- 2 Central Excise Act,1944
- 3 Central Sales Tax Act,1956
- 4 Central Goods and Services Tax Act,2017
- 5 Charitable And Religious Trusts Act,1920
- 6 Companies Act,2013
- 7 Electricity Act,2003
- 8 Employees Provident Fund and Miscellaneous Provisions Act,1952
- 9 Foreign Exchange Management Act,1999
- 10 Government Superannuation Fund Act,1956
- 11 Indian Trusts Act,1882
- 12 Integrated Goods and Services Tax Act,2017
- 13 Limited Liability Partnership Act,2008
- 14 Payment of Gratuity Act,1972
- 15 SEBI Act,1992
- 16 Securities Contract(Regulation)Act,1956
- 17 State Goods and Services Tax Act,2017
- 18 Union Territories Goods and Services Tax Act,2017
- 19 Any other law

**Question 23:**

**Is it mandatory for the trust to specify the details of investment made?**

**Clarification:**

Yes. Please fill Schedule J Sl.no B, C, D (as applicable)

**Question 24:**

**Is filing of Balance sheet mandatory?**

**Clarification:**

Balance sheet should be mandatorily filed by all persons for filing ITR 7. Please fill up the details of the Balance Sheet items as on 31st March, 2022, mentioning the details of Sources of funds and application of funds.

**Question 25:**

**What are the details required to claim Exemption u/s 13A?**

**Clarification:**

Section under which exemption claimed should be mentioned as Section 13A in Schedule Part A General Income should be mentioned under all heads of income & Schedule VC

Exemption is not allowable on BP Income

Return of Income to be filed within the due date specified u/s 139(1)

Schedule LA should be filled

All conditions mentioned in Section 13A should be fulfilled

Exemption amount should be entered in relevant column of Part B2 of Schedule Part B TI

**Question 26:**

**What are the details required to claim Exemption u/s 13B?**

**Clarification:**

Registration details u/s 13B should be mentioned in Schedule Part A General

Section under which exemption claimed should be mentioned as Section 13B in Schedule Part A General

Exemption is allowable on Voluntary Contributions

Schedule ET should be filled and all conditions mentioned in section 13B read with Rule 17CA should be fulfilled

Exemption amount should be entered in relevant column of Part B2 of Schedule Part B TI

**Question 27:**

**Who can verify the income tax return in case of company, local authority, political party and AOP?**

**Clarification:**

The persons who can verify the income tax return in the following cases are:

**Company**– the Managing Director. In case for any unavoidable reason, there is no Managing Director, any other Director of the company can verify the return.

**Local authority**– the Principal Officer.

**Political party**- the Chief Executive Officer of such party, whether known as Secretary or any other designation.

**Any other association**- any member of the association or the Principal Officer thereof.

**Any other person**– that person or by some person competent to act on his behalf.

**Question 28:**

## **What are the details required to claim Exemption u/s 10(23C)(iv)/(v)/(vi)/(via)/ 11 of the Act?**

### **Clarification:**

Registration/approval details should be filled in Schedule Part A General

Income should be disclosed in Schedule AI and/or Schedule VC as applicable

Application of income – Revenue Expenditure should be disclosed in Schedule ER & Capital expenditure should be disclosed in Schedule EC.

Exemption u/s 11(1A) claimed in Schedule EC cannot exceed the net consideration disclosed in Schedule AI Audit Report in Form 10B/10BB – Needs compliance as per the provisions of the Act.

Exemption amount allowable should be entered in the relevant column of Part B1 of Part BTI

If exemption under explanation 11(1) – Deemed Application is claimed –Form 9A has to be filed within the due date specified u/s 139(1)

If exemption u/s 11(2) – for Accumulation is claimed –Form 10 has to be filed within the due date specified u/s 139(1).

If the purpose of the trust is advancement of any other object of General Public Utility - total receipts and percentage of such activity {referred in proviso to section 2(15)} mentioned in Schedule Part A General (2) and percentage of receipts of such activities should not exceed 20% of total receipts of the trust/institution.

### **Question 29:**

**What are the details required to claim Exemption u/s: 10(21),10(22B), 10(23AAA), 10(23B), 10(23D), 10(23DA), 10(23EC), 10(23ED), 10(23EE), 10(23FB), 10(29A), 10(46), 10(47) ?**

### **Clarification:**

Details required to claim Exemption:

1. Section under which exemption claimed has to be mentioned correctly in Schedule Part A General
2. Receipts must be disclosed in Schedule – IE1 and/or Schedule VC as applicable
3. Exemption amount should be entered in relevant column of Part B2 of Schedule Part BTI

### **Question 30:**

**What are the incomes need to be reported in Income & Expenditure Statement if you are claiming exemption under section 10(23A) or 10(24)?**

### **Clarification:**

In Schedule IE-2:

In Part A, Report total receipts including voluntary contributions, application towards object of the institution and accumulation of income in the respective fields. The disclosure of all receipts is mandatory to claim TDS credit.

In Part B, Report details of taxable income, if any, for the previous year under the heads of “house property”, “business or profession”, “capital gains” and “other sources” and provide details in relevant income schedules.

### **Question 31:**

**What are the Incomes on which exemption is not available to an assessee referred under section 10(23A)?**

### **Clarification:**

Exemption is not applicable on income from house property and income from interest or dividend. These incomes to be entered in the respective income schedules and tax on the same to be computed.

**Question 32:**

**What are the Incomes on which exemption is not available to registered trade unions and association of trade unions referred under section 10(24)?**

**Clarification:**

Exemption is not applicable on income from business & professions and income from capital gains. These incomes needs to be entered in the respective income schedules and tax on the same to be computed.

**Question 33:**

**When will a Trust/institutions be eligible for exemption under Section 10(23C)(iiiab) or 10(23C)(iiiac)?**

**Clarification:**

Trust/institutions are eligible for exemption under Section 10(23C)(iiiab) or 10(23C)(iiiac) only if the Government grants received is more than 50% of the total receipts including voluntary contribution. The below details to be mentioned in Schedule IE-3:

1. Please Specify object of the institution and mention complete address where the activities being carried out.
2. Report total receipts including any voluntary contributions, Government grants out of the total receipts, application towards object of the institution and accumulation of income in the respective columns.

The disclosure of all receipts is mandatory in case claim of TDS credit has been made. Exemption amount allowable should be entered in the relevant column of Part B2 of Schedule Part BTI.

**Question 34:**

**When will be a Trust/institutions eligible for exemption under Section 10(23C)(iiiad) or 10(23C)(iiiiae)?**

**Clarification:**

Trust/Institution will be eligible for the exemption if the amount of Aggregate annual receipt does not exceed Rs.5 crore. Receipts should be disclosed in Schedule IE 4 and/or Schedule VC as applicable. Exemption amount allowable should be entered in the relevant column of Part B2 of Schedule Part B TI

**Question 35:**

**What are information required to be furnished in Schedule VC ?**

**Clarification:**

Voluntary Contributions [to be mandatorily filled in by all persons filing ITR-7]

Domestic Contribution

Foreign contribution

Total Contributions (Aiii + Biii)

Anonymous donations, included in C, chargeable u/s 115BBC [Applicable to assessee claiming exemption u/s 11 or 10(23C)(iv) or 10(23C)(v) or 10(23C)(vi) or 10(23C)(via) or 10(23C)(iiiad) or 10(23C)(iiiiae)]

**Question 36:**

## **What are the information required to be furnished in Schedule AI ?**

### **Clarification:**

In Schedule AI the aggregate of income derived during the previous year excluding Voluntary contributions [to be filled by assesses claiming exemption u/s 11 and 12 or u/s 10(23C)(iv) or 10(23C)(v) or 10(23C)(vi) or 10(23C)(via)] should be furnished.

### **Question 37:**

## **What are the information required to be furnished in Schedule ER ?**

### **Clarification:**

In Schedule AR the amount applied to the stated objects of the trust/institution during the previous year from all sources referred to in E1 to E7 of the table in the Schedule- Revenue Account [to be filled by assessee claiming exemption u/s 11 and 12 or u/s 10(23C)(iv) or 10(23C)(v) or 10(23C)(vi) or 10(23C)(via)] should be furnished.

### **Question 38:**

## **What are the information required to be furnished in Schedule EC?**

### **Clarification:**

In Schedule EC amount applied to charitable or religious purposes in India or for the stated objects of the trust/institution during the previous year–Capital Account [from all sources referred to in A1 to A7 of the table in the Schedule] [to be filled by assessee claiming exemption u/s 11 and 12 or u/s 10(23C)(iv) or 10(23C)(v) or 10(23C)(vi) or 10(23C)(via)] should be furnished.

### **Question 39:**

## **What are the information required to be furnished in Schedule IE-1 ?**

### **Clarification:**

Income & Expenditure statement [applicable for assessee claiming exemption under sections 10(21), 10(22B), 10(23AAA), 10(23B), 10(23D), 10(23DA), 10(23EC), 10(23ED), 10(23EE), 10(23FB), 10(29A), 10(46), 10(47)]

### **Question 40:**

## **What are the information required to be furnished in Schedule IE-2 ?**

### **Clarification:**

Income & Expenditure statement [applicable for assessee claiming exemption under sections 10(23A), 10(24)]

**Question 41:**

**What are the information required to be furnished in Schedule IE-3 ?**

**Clarification:**

Income & Expenditure statement [applicable for assessee claiming exemption under sections 10(23C)(iiiab) or 10(23C)(iiiac)] (please fill up address for each institution separately).

**Question 42:**

**What are the information required to be furnished in Schedule IE-4 ?**

**Clarification:**

Income & Expenditure statement [applicable for assessee claiming exemption under sections 10(23C)(iiiad) or 10(23C)(iii ae)] (please fill up address for each institution separately)

**Question 43:**

**What are the information required to be furnished in Schedule OA ?**

**Clarification:**

In case if there is any income under the head “business and profession”, please furnish the general information relating to such business activity during the year in this Schedule, such as nature of business, method of accounting, method of valuation of stock etc.

**Question 44:**

**What are the information required to be furnished in Schedule SI ?**

**Clarification:**

In this Schedule, please report income forming part of total income which is chargeable to tax at special rates at column(i) and tax chargeable there on at such special rates at column(ii). The amount under various types of incomes has to be taken from the amount mentioned in the relevant Schedules as indicated against each type of income.

**Question 45:**

**What are the information required to be furnished in Schedule 115TD?**

**Clarification:**

This Schedule should be filled by the trusts or institutions registered under section 12AA/12AB, where any of the events mentioned in clauses (a),(b) or (c ) of sub-section (1) of section 115TD has taken place during the previous year.

**Question 46:**

**Is it mandatory to furnish "Details of all the Author (s)/ Founder (s)/ Settlor (s)/Trustee (s)/ Members of society/Members of the Governing Council/  
Director (s)/ shareholders holding 5% or more of shareholding / Office Bearer (s) as on the date of application?"**

**Clarification:**

Yes, this information is mandatorily required to be filled in Part A-General mentioning the "Details of Authors or Founders or Settlers or Trustees or Members of society or Members of the Governing Council/Directors/ shareholders holding 5% or more of shareholding / Office Bearers as on the date of application"