**ITR-7 Return Filing: A Comprehensive Guide for Trusts, NGOs & Institutions**

Income Tax Return (ITR-7) is specifically designed for trusts, NGOs, political parties, educational institutions, and religious organizations that claim exemptions under Sections 139(4A), 139(4B), 139(4C), or 139(4D) of the Income Tax Act.

In this blog, we’ll cover who should file ITR-7, eligibility, required documents, step-by-step filing instructions, and common mistakes to avoid.

**What is ITR-7?**

ITR-7 is an income tax return form applicable to entities that derive income from charitable or religious activities, political funds, or educational purposes. It must be electronically filed with or without a digital signature.

✅ **Who Should File ITR-7?**

✔ Trusts & NGOs claiming exemption under Section 11 & 12  
✔ Political parties under Section 13A  
✔ Scientific & Research Institutions under Section 10(21)  
✔ Educational & Medical Institutions under Section 10(23C)  
✔ News Agencies under Section 10(22B)

❌ **Who Cannot File ITR-7?**

✖ Individuals, HUFs, partnership firms, LLPs, and companies  
✖ Entities that do not qualify for exemptions under the above sections

**Documents Required for ITR-7 Filing**

📌 PAN Card of the Trust/Institution  
📌 Trust Deed or Registration Certificate  
📌 Income & Expenditure Account  
📌 Balance Sheet & Audit Reports (if applicable)  
📌 Donation Receipts & Grants (for NGOs)  
📌 Form 26AS (TDS Details)  
📌 GST Details (if applicable)  
📌 Foreign Contribution Details (if any)

**Step-by-Step Guide to Filing ITR-7**

Step 1: Login to the Income Tax E-Filing Portal

* Visit www.incometax.gov.in
* Enter the organization’s PAN, password, and captcha to log in

Step 2: Select the ITR-7 Form

* Click on ‘File Income Tax Return’
* Choose the assessment year (AY 2024-25)
* Select ITR-7 as the return type

Step 3: Provide Trust/Institution Details

* Enter name, PAN, registered address
* Select the applicable exemption section (139(4A), 139(4B), 139(4C), or 139(4D))

Step 4: Enter Income & Expenditure Details

* Declare total receipts from donations, grants, membership fees, or other sources
* Mention exempt income under Sections 10, 11, or 12

Step 5: Disclose Investments & Donations

* Report investments in mutual funds, FDs, properties, or securities
* Declare donations received & made, including those under Section 80G

Step 6: Attach Audit Reports (If Applicable)

* Trusts & NGOs with receipts exceeding ₹2.5 lakh must file an audit report (Form 10B)
* Institutions claiming Section 10(23C) exemption must submit Form 10BB

Step 7: Validate & Compute Tax

* System calculates total taxable income & tax liability (if any)
* Verify TDS deductions & refund eligibility

Step 8: Submit & E-Verify Using DSC or Aadhaar OTP

* ITR-7 must be digitally signed (DSC) for organizations
* If DSC is not used, verification can be done via Aadhaar OTP or EVC

**Due Date for ITR-7 Filing**

📅 Last Date for ITR-7 Filing (Without Audit): July 31st  
📅 With Audit Requirement: October 31st

🚨 Penalty for Late Filing: ₹10,000 under Section 234F (if income exceeds ₹5 lakh)

**Tax Exemptions for Trusts & Institutions**

| **Type of Organization** | **Exemption Section** |
| --- | --- |
| Charitable/Religious Trusts | Section 11 & 12 |
| Political Parties | Section 13A |
| Scientific Research Institutions | Section 10(21) |
| Educational & Medical Institutions | Section 10(23C) |
| News Agencies | Section 10(22B) |

To claim exemptions, organizations must use income for the purpose for which they were created and comply with regulatory conditions.

**Benefits of Filing ITR-7 on Time**

✅ Maintains Compliance – Ensures organizations continue to receive tax exemptions  
✅ Avoids Penalties & Notices – Late filing attracts scrutiny & penalties  
✅ Helps in Fundraising – NGOs & trusts need tax compliance for donor confidence  
✅ Facilitates Foreign Contributions – Mandatory for FCRA (Foreign Contribution Regulation Act) compliance

**Common Mistakes to Avoid in ITR-7 Filing**

❌ Wrong Selection of Exemption Section – Incorrect section can lead to rejection  
❌ Failure to File Audit Reports – Trusts & institutions must file Form 10B or 10BB if applicable  
❌ Non-Disclosure of Donations & Investments – Can result in tax scrutiny  
❌ Forgetting to E-Verify – Filing is incomplete without verification

**Conclusion**

Filing ITR-7 is mandatory for trusts, NGOs, political parties, and institutions to report their income, claim exemptions, and stay compliant with tax laws. By filing before the due date, maintaining accurate financial records, and submitting audit reports, organizations can avoid penalties and ensure continued tax benefits.

**Need Help with ITR-7 Filing?**

Our tax experts provide **professional assistance for accurate ITR-7 filing, compliance with exemption rules, and tax audits**. **Contact us today for hassle-free tax filing! 🚀**