

7 Jul 2012

- *Hindustan Times (Mumbai)*
- *Bindisha Sarang letters@hindustantimes.com*

How to file your tax returns online

Even if it is not mandatory, get set to go the electronic route as it is the way forward

While it has become mandatory for a certain individuals to file their tax electronically, if you are not in that category already, you better get set to go online with your returns because that is the way forward. Last year, 16 million used the e-filing route, said Saakar Yadav, director, Myitreturn.com, e-filing portal. "This year the number is expected to go up by 30% to about 25 million," said Yadav.



Illustration: ABHIMANYU SINHA

IF YOU NEED TO PAY MORE TAX Visit www.tin-nsdl.com, select the required challan. Make payment through Internet banking. Once you get a challan identification number acknowledging your payment, your taxes are paid.

WHO NEEDS TO E-FILE?

It's compulsory for companies to file their returns online. "For FY2011-12, the income-tax (I-T) department has made it compulsory for individuals with a total income of above R10 lakh to e-file their returns," said Ankur Sharma, CEO, Taxspanner.com, an e-filing portal. "Also, it is mandatory for individuals holding accounts of assets abroad." This means, even if you have a savings account abroad, you'll have to take the online route.

WHICH PORTAL TO CHOOSE?

Your choice matrix spans the I-T department's own portal and standalone tax filing portals such as Taxspanner.com, Taxsmile.com, Myitreturn.com and Taxyogi.com, to name a few. Currently, there are at least 25 portals in this space. Even brokerage portals such as ICICIDirect.com offer this

service to their customers. Many larger banks and financial planning websites such as Perfios.com also offer this service. Some portals, also offer value-added services such as refund tracking.

Choose a reputed portal that is approved by the I-T department.

WHICH PACKAGE IS FOR YOU?

Every portal offers different types of packages or products based on your e-filing needs. The basic package is suitable for salaried individuals and pensioners, who have their salary as the only source of income; in other words, those who need to file ITR1 and ITR2.

If you want value-added services such as year-round service and review of your returns filed by an expert, you will need the advanced package. Some portals offer a separate package for self-employed individuals, while others have special packages for professionals. Many portals also have special offers running. "We are currently offering free e-filing for women; this offer is open till 26 July," said Archit Gupta, cofounder, Cleartax.in. Some portals also offer free e-filing for certain category of individuals. For instance, Myitreturn.com. "As per the I-T department, those earning a total income up to R5 lakh need not file their returns," said Yadav. "But it's a good practice to do it. So we are offering such individuals free service."

ONLINE FILING

Once, you've decided on the portal and done the registration, the documents you would have already assembled would come in handy.

While the form is standardised across the portals, different portals have a slightly different approach. Check their websites for details.

One of the most important steps in the e-filing process is previewing the form. There is a good possibility that you've made typing errors and this will allow you to make the necessary changes.

SUBMITTING THE FORM

Before you submit the form, you will have to pay the portal a fee for their services. Once your payment goes through, you will get a ITR form in a digital format (XML file) from the portal. You will have to upload this on the I-T department's website (www.incometaxindia.gov.in).



Take a printout of the acknowledgement receipt (ITR Form-V). You can also download the form before you take the print. "You will need to sign ITRV and post it to the I-T department in Bangalore within 120 days of e-filing," Sharma said. "Once you receive a confirmation from the department, your e-filing is complete." Keep in mind that the I-T department accepts ITRV only via normal and speed post and does not accept couriers. Alternately, you could sign the acknowledgement online using a digital signature.