

Just two weeks to go for sending tax returns verification

120-day window will end this month. If you pass this, your returns will be considered not filed

November 30 is the deadline for sending the income-tax returns verification (ITR-V) for 2013-14, as it will be four months or 120 days since July 31, the deadline to file IT returns. And if you don't send your ITR-V till then, your returns will be considered not filed. ITR-V is an acknowledgement of the returns filed.

The I-T department allows you to send ITR-V in 120 days of filing your returns online. If not done, your registration with the department is cancelled.

Around five per cent of tax assesses do not file their ITR-V, says Sudhir Kaushik, co-founder and chief financial officer, Taxspanner.com. "Many don't know they need to send the ITR-V to the tax department's Bengaluru office after filing returns online," he adds. Citizens earning a salary of more than Rs 5 lakh a year need to file returns online.

Sometimes, the department extends the 120-day deadline. Those who had e-filed returns in 2010 were allowed to send acknowledgements till July 2011. This year also, the department started a campaign reminding taxpayers who had filed their returns without digital signatures and had not sent the signed copy of the ITR-V. The department extended the deadline to October 31.

Not mailing ITR-V on time has many negatives. You might be fined Rs 5,000 a return for failing to file returns by the end of the assessment year.

You have a two-year window to file belated returns, failing which there is no way to do so, says Nagaraju P S, director of etaxmentor.com. "One can file income tax returns by (a) filing it on time at the end of each financial year (b) till two years after the financial year or (c) against a notice from the department if the two-year window expires."

But if there are any errors in the belated returns, you can't revise. "If you do not file returns on time, you cannot carry forward capital losses incurred, if any, in a financial year to be adjusted against capital gains made in the subsequent years," says Kaushik. The good part: Loss from sale of house property can be carried forward even if returns are not filed on time.

If you are liable for a refund, it stands a good chance of being delayed, as you've filed returns after the due date.

Nagaraju says you should sign the ITR-V before posting it. Acknowledgments signed in black ink are considered scanned copies or photocopies of ITR-V and tend to get rejected. Folding the sheet leads to print ink getting erased on the creases. The department informs you about the rejection by post, which might not reach you in time to act within 120 days.

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