Are You under scanner of Excise & Service Tax Department

A new section 15A has been inserted in the Central Excise Act, 1944 w.e.f. the date of the applicability of the Finance Bill' 2014.
Further, this section has also been made applicable for Service Tax Law by virtue of Section 83 of Finance Act' 1994.
This is known as **Information Return**. A new concept of collecting information of Tax evaders of Indirect taxes.

The concept can be said to be same as Annual Information Return (AIR) in Income Tax.

This new section has been inserted so as to empower the CG

- To prescribe an authority or agency
- To whom the information return in prescribed form and manner shall be filed
- By the specified persons such as **Income-tax authorities, State Electricity Boards, VAT or Sales Tax authorities, Registrar of Companies.**

Information can be collected for the purposes of the Act, such as, to identify tax evaders or recover confirmed dues.
Further, new section 15B has also been inserted, which provides for imposition of penalty on failure to furnish information return.
Indirect Tax being a major source of revenue, the Government has introduced this concept to grab more assesses in its clenches. Thus, there is a need to properly reconcile the accounts and comply with these laws before its too late.

Extract of Section 15A and 15B of Central Excise Act, 1944 as introduced by Finance (No. 2) Bill, 2014
Obligation to furnish information return.
"15A. (1) Any person, being—
(a) an assessee; or
(b) a local authority or other public body or association; or
(c) any authority of the State Government responsible for the collection of value added tax or sales tax; or
(d) an income tax authority appointed under the provisions of the Income-tax Act, 1961; or
(e) a banking company within the meaning of clause (a) of section 45A of the Reserve Bank of India Act, 1934; or
(f) a State Electricity Board; or an electricity distribution or transmission licensee under the Electricity Act, 2003, or any other entity entrusted, as the case may be, with such functions by the Central Government or the State Government; or
(g) the Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908; or
(h) a Registrar within the meaning of the Companies Act, 2013; or
(i) the registering authority empowered to register motor vehicles under Chapter IV of the Motor Vehicles Act, 1988; or
(i) the Collector referred to in clause (c) of section 3 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013; or
(k) the recognised stock exchange referred to in clause (t) of section 2 of the Securities Contracts (Regulation) Act, 1956; or
(l) a depository referred to in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996; or
(m) an officer of the Reserve Bank of India, constituted under section 3 of the Reserve Bank of India Act, 1934,
who is responsible for maintaining record of registration or statement of accounts or any periodic return or document containing details of payment of tax and other details or transaction of goods or services or transactions related to a bank account or consumption of electricity or transaction of purchase, sale or exchange of goods or property or right or interest in a property, under any law for the time being in force, shall furnish an information return of the same in respect of such periods, within such time, form (including electronic form) and manner, to such authority or agency as may be prescribed.
(2) Where the prescribed authority considers that the information submitted in the information return is defective, he may intimate the defect to the person who has furnished such information return and give him an opportunity of rectifying the defect within a period of thirty days from the date of such intimation or within such further period which, on an application made in this behalf, the prescribed authority may allow and if the defect is not rectified within the said period of thirty days or, as the case may be, the further period so allowed, then, notwithstanding anything contained in any other provision of this Act, such information return shall be treated as not submitted and the provisions of this Act shall apply.
(3) Where a person who is required to furnish information return has not furnished the same within the time specified in sub-section (1) or sub-section (2), the prescribed authority may serve upon him a notice requiring furnishing of such information return within a period not exceeding ninety days from the date of service of the notice and such person shall furnish the information return.

Penalty for failure to furnish information return.
15B. If a person who is required to furnish an information return under section 15A fails to do so within the period specified in the notice issued under sub-section (3) thereof, the prescribed authority may direct that such person shall pay,

by way of penalty, a sum of one hundred rupees for each day of the period during which the failure to furnish such return continues.”.