



**GOVERNMENT OF KARNATAKA**  
**(Commercial Taxes Department)**

No. CCW/CR-44/2013-14.

Office of the Commissioner of Commercial Taxes,  
Gandhi Nagar, Kalidasa Road, Bangalore – 560 009

Dated: 16.06.2014.

Commissioner of Commercial Taxes Circular No: 06 /2014-15

**Sub:** Educative Period for implementation of Electronic Upload of Purchase and Sales Statement (eUPaSS)– Certain Instructions – reg

**Ref:** Notification No CCW/CR-44/2013-14 Dated 29.04,2014

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In pursuance of the announcement made in the Budget Speech for FY 13-14, Commercial Taxes Department (CTD) has deployed an electronic service of uploading of purchase and sales details by the dealers at the department's portal. The goals of this new service are to minimize disputes related to input tax credit, facilitate electronic audit across the VAT chain for all dealers instead of the current arrangement of manual audit, and help in faster processing of refunds.

2. As per notification No: CCW/CR 44 /2013-14 dated 29.04.2014 all dealers, whose total turnover is Rs 50 lakhs and above for the year ending on 31.03.2014 or in any subsequent financial year, are required to electronically upload the purchase and sales details onto the departmental portal for each tax period (month) before 20<sup>th</sup> of the succeeding month, commencing from the tax period of May 2014.

3. The department in coordination with trade and industry associations has undertaken awareness and training programmes extensively for the dealers, tax consultants and other stakeholders. These programmes have been completed at divisional level and are now being organized at district and local VAT office levels. So far nearly 15000 stakeholders have participated in these programmes. Still a lot of ground needs to be covered to reach out to all dealers to facilitate their participation in this new e-service. The department has also set up help-desks at each local and divisional VAT office levels to provide hand-on training to dealers and tax practitioners. These help desks are yet to become fully operational.

4. Trade and industry associations have welcomed the new e-service and conveyed their commitment to adopt this tax reform. However, a number of representations have been received from several trade and industry associations requesting the department to provide some time to the dealers to understand and learn the process of electronic uploading of purchase and sales statements. The associations have requested that no penal provisions should be invoked for non-uploading of the statements till the awareness training programmes reach out to majority of the dealers. The associations have also represented the dealers who are exclusively dealing in exempted commodities should be taken out of the purview of the scope of uploading the purchase and sales statements.

5. The representations of the associations of trade and industry have been examined and it is considered necessary to issue following clarifications for smooth implementation of the new e-service of uploading of purchase and sales statements.

- a. The dealers whose entire turnover is from tax exempted goods under the KVAT Act 2003 are not required to electronically upload local purchase and local sales details.
- b. The dealers whose turnover pertains to both tax exempt and taxable goods are required to upload the purchase and sales statements and also other details as applicable as per notification. However, for tax exempt goods, the details on lump sum basis can be entered as 'sales to' or 'purchases from' unregistered dealers (URD). Only when a purchaser wants an invoice with mention of his or her TIN, details of such invoice can be uploaded individually. For taxable goods all details as prescribed in the notification will have to be uploaded in case of 'purchase from' and 'sales to' registered dealers.
- c. The period from 21.06.2014 to 20.07.2014 (one month) is declared as educative period for all the dealers who have been covered under the said notification.
- d. Further the period from 21.07.2014 to 20.09.2014 (two months) is declared as educative period for the dealers whose total turnover is more than 50 lakhs but less than 1 Crore as per the said notification.
- e. In view of the educative period being provided, the dealers will be required to indicate the period (number of days) required by them to upload the purchase and sales details. This information will need to be provided while submitting tax returns for the tax periods from May 2014 onwards at the departmental portal.
- f. Before end of the educative period, the dealers are required to upload the purchase and sale details for the tax periods from May 2014 onwards.

6. During the educative period as mentioned above, no penal provisions under KVAT Act shall be invoked by the departmental officers against the dealers who are unable to upload the details. The dealers are, however, encouraged to participate in the awareness and training programmes being organized by the department and start uploading the details even during the educative period. An early participation by all eligible dealers will help all stakeholders to reap the benefits of this new e-service.

7. All Divisional and Local VAT Officers are instructed to pursue with all eligible dealers even during the educative period, ascertain their training requirements, organize the awareness and training programmes, including hands-on training, at local VAT office levels, and persuade them to start using this e-service at the earliest.



**(AJAY SETH)**

**Commissioner of Commercial Taxes**

To,

1. All the officers of Commercial Taxes Department
2. Trade & Industry Associations