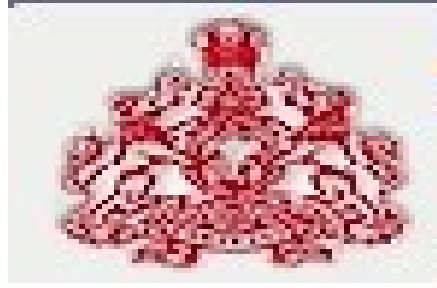


**Government of Karnataka  
Commercial Taxes Department**



**‘e-VARDAN’  
(VAt Registration and Documentation Access  
through Net )for  
e-Registration System**

**e-REGISTRATION GUIDE  
FOR USE OF  
OFFICERS AND OFFICIALS  
OF THE DEPARTMENT**

NIC has developed a software module for e-registration which was demonstrated to all Local Vat Officers (LVO)/VAT Sub Officers (VSO) in the meetings held on 24.01.2011 and 27.12.2011. The said module 'e-VARDAN' (VAt Registration and Documentation Access through Net) is hosted on the departmental website (<http://ctax.kar.nic.in/>) for use by trade and industry. As instructed by the CCT in the said meetings, in future all fresh applications for registration need to be processed electronically using the said module. The instructions issued in this office circulars listed below need to be scrupulously followed by all the LVOs/VSOs, being the registering authorities (RA).

- (i) no. 16/2005-06 dated 03.8.2005 ( fixing of time for issue of registration and norms fixed for obtaining security deposit)
- (ii) modification to circular no. 16/2005-06 dated 03.8.2005 issued on 15.10.2005 ( modified norms for obtaining security deposit)
- (iii) no. 13/ 2010-11 dated 08.12.2010 ( procedure to be followed while granting registration to dealers dealing in Iron & steel and plywood)

2. All the RAs and Commercial Tax Inspector/s (CTI) are requested to carefully go through the both users' manual (for dealers) and this e-registration guide so that they can answer the queries posed by the registrants and ensure smooth e-registration process.

3. The procedural steps to process the e- registration application in form VAT-1 are listed herebelow:-

- (1) In respect of location of business places with shared PIN codes in Bangalore ( example: 560002), the LVO shall guide the new registrant as to the exact jurisdictional VAT office in Bangalore in which he is required to be registered.
- (2) (a) Applicant submits online application by logging on to <http://ctax.kar.nic.in/>, obtains e-registration reference number (ERN) and makes e-payment of registration processing fee(RF) of Rs. 500/-.

- (b) Alternatively, the applicant may visit the office of the RA with ERN and date and remit RF of Rs. 500/- through cash /DD. Payment of RF through cheque is not permissible for such applicants.
- (3) RA logs on to <http://vat.kar.nic.in/cto> and confirms that the application is within his office jurisdiction and processes the DD/Cash payment of Rs.500 (RF) by selecting 'manual receipts' in the payment module, enters suspense TIN, chooses RF, enters the ERN and other details, adds payment details and saves the data and thereupon sends cash/ /DD to the bank.
  - (4) If the business place of the applicant does not belong to his jurisdiction, the RA (transferor) shall immediately transfer the application to the relevant jurisdictional LVO/VSO concerned by choosing the option 'transfer registration', by selecting the ERN and the LVO/VSO to which it needs to be transferred ( transferee RA ) and save the details. The RA (transferor) may inform the applicant regarding the transfer of his request through the mobile phone number provided in the application.
  - (5) The transferee RA shall take necessary action to receive the application so transferred to him by the other registering authority (transferor RA). Such cases can be viewed by clicking on 'transfer in' and thereupon selected and processed. If the application so received still does not belong to his office jurisdiction, the same be accepted in the system first and thereafter transferred to the jurisdictional RA concerned.
  - (6) On clicking 'assignment', the RA will view those applications with RF payment details and those without payment of RF on the grid. RA may note that the applications without RF payment details are not enabled for further process.
  - (7) RA then selects the RF paid application from the list of applications, selects CTI / or one of the CTIs by name and assigns the case to him/her for verification of the request. The RA should take care to assign the new registration cases evenly among all CTIs in the office to ensure fair distribution.
  - (8) RA will then view the data entered in the form VAT-1 submitted by the applicant ( log on to <http://ctax.kar.nic.in/> and select 'Print form VAT-1') and issue necessary instructions to the CTI to verify the originals of documents uploaded, veracity of vital information like address, location etc furnished in the application and collect such other particulars as are necessary to satisfy himself that the information furnished is true, correct and complete. The CTI shall also be instructed to obtain information regarding ownership of telephone number/s, cell number/s and inform the applicant that the CTD would be sending messages and other important information to the given cell number in all future registration related processes.

- (9) The RA shall also closely examine the commodities intended to be purchased by the applicant against 'C' forms and bring discrepancies, if any, to the notice of the applicant by issue of an endorsement through the CTI assigned for visit to the applicant's business place.
- (10) The CTI will log on to the website with the help of given 'username' and 'password', select the ERN and inform the applicant the proposed date and time of his visit by issuing an appointment by selecting 'appointment'. He may also request the applicant to keep ready the original documents of all essential evidences required in relation to registration for verification and to produce copies of such other documents which are not already uploaded alongwith form VAT 1. The CTI will also make a list of documents not submitted by the applicant alongwith the application and keep ready before he visits the applicant's premises.
- (11) (a) On the appointed day, the CTI concerned shall visit the business premises, complete the verification process by confirming that all the documents uploaded are genuine, obtain further required information /documents, get a paper copy of form VAT-1 duly signed by proprietor / all the partners/ members of the association, as the case may be, which is completed in all respects.
- (b) If for any reason the CTI is not able to visit the business premises on the appointed day or if the appointment is not honoured by the registrant, the CTI shall inform the next date of visit in advance by issue of another appointment to the applicant.
- (12) CTI will also record information regarding other bank accounts, property particulars and such other useful information. The GPS details of the location of the business premises may also be recorded with the help of the instrument being provided. Information regarding ownership of telephone numbers and cell numbers provided by the applicant shall also be obtained. The CTI shall inform the applicant that all messages and critical information in relation to registration process would be sent to the cell number furnished by him and that therefore the cell phone prove shall be in his possession.
- (13) After collecting the relevant details and satisfying himself with the genuineness of the documents and title to the place of business and residence, the CTI will submit the details with his remarks on the hard copy of signed form VAT-1 to the RA for further action. Simultaneously, he will also complete the verification report portion of the form VAT-1 in the website by selecting the ERN concerned and then save the data.
- (14) On completion of the verification report and on saving the data, the CTI shall close the appointment/s by clicking on 'close appointments'.
- (15) The RA may note that certain restrictions imposed earlier by the CCT

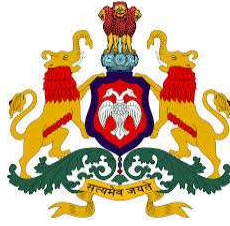
regarding processing of registration applications of Iron & Steel and plywood dealers have since been withdrawn ( instructions given in circular no. 19 / 2006-07 dated 28.7.2006 have been withdrawn in circular no. 13/10-11 dated 08.12.2010).

- 16 The RA shall follow the instructions issued in the circular no 13/10-11 dated 08.12.2010 with regard to grant of registration in respect of dealers doing business in Iron & steel and plywood, **make personal visit to the place of business** and exercise utmost care ,caution and diligence in granting new registration.
- (17) If certain documents are not uploaded by the registrant alongwith the online application, but subsequently collected by the CTI at the time of his visit, the RA will take action to upload such documents with the help of scanner by selecting the relevant formVAT-1 by clicking on ‘approval-registration’.
- (18) Before the application is considered for approval, the RA shall consider any written request made by the applicant seeking modifications /additions/deletions in respect of particulars submitted by him in the online application, as the applicant can not alter the application once submitted.
- (19) Thereafter, the RA shall once again go through the form VAT-1, report of the CTI, regime opted, CST commodities choosen, purpose of proposed interstate purchase of goods and satisfy himself that the case is eligible for registration under the CST Act also. The RA shall determine as per law the effective date/s for registration under the CST Act ( in any case not earlier to the date of payment of RF).
- (20) The RA may inform the registrant to make e-payment of PT and security deposit and accordingly pass on the request by way of an appointment with specific time and date. The RA may accept NSC duly pledged as security and save the details of PT paid and security deposit by using the option manual receipt-suspense TIN, security deposit, enter the ERN, NSC details, by following the procedure as in sl.no.3 above . The existing procedure to keep the NSC / bank guarantee in safe custody shall continue to be followed.
- (21) On the otherhand, if the particulars furnished by the registrant are incorrect, incomplete, and not supported by documentary evidences wherever required, or if the registrant does not remit the prescribed PT and does not furnish the security, the RA shall afford an opportunity to him to comply with the requirements by way of mentioning the requirements in the ‘special request’ under appointments. In spite of this, if the registrant does not comply with the request, the RA shall issue a written notice proposing to reject the application and thereafter take action as per law for further

proceedings.

- (22) If applicant has opted for payment of tax under the composition scheme (COT) and if he is a dealer (COT-D), then such dealer's estimated turnover should not be above Rs. 25 lakhs per year. RA may note that dealers opting for composition scheme under Section 15 other than works contractor are not eligible for registration under the CST Act, 1956.
- (23) In case of rejection of the request of the applicant for registration after following the due procedure of law, the RA may click on 'reject' in the system which automatically gets displayed to the applicant. The RA shall also follow due procedure of law and pass a speaking order (manual) recording the reasons for rejection and duly serve it on the applicant.
- (24) If the RA finds the application in order in all respects including the regime opted, eligibility to registration under the CST Act, CST commodities etc, he shall close all the appointments issued and then ensure payment of applicable PT and security deposit by the applicant.
- (25) The RA shall verify the date of payment of RF (Rs.500/-) and decide the effective date of registration (EDR) on the basis of date of e-payment. date of cash payment or the date of receipt of demand draft and proceed to approve the request.
- (26) LVO will click on 'approve' upon which the system generates the TIN. Simultaneously, the RA shall create 'username' and 'password' enabling the dealer for downloading CST forms ( if eligible), e-Sugam forms, upload the monthly/quarterly returns, purchase and sales details and communicate it to the dealer by registered post under acknowledgement OR hand it over to the assessee personally besides sending the details through e-mail and seek confirmation by return mail, if the applicant has furnished the e-mail id. The RA shall affix his signature and seal of office on the certificate downloaded by the dealer, if requested.
- (27) After generation of TIN, the particulars of RF, PT and security deposit paid by the applicant and remitted under suspense TIN would get automatically transferred to the dealer's account.
- (28) The RAs are requested to discourage submission of manual (paper form ) form VAT -1 and at the same time persuade the applicants to file registration the request online by guiding them properly and if necessary, render all necessary technical and infrastructure assistance to them to upload the form VAT 1 online .
- (29) The RA shall view the particulars of applications filed online, transferred in, etc at least 4 times a day and take required thereon action so that the process of online registration is meaningful and the module becomes popular.

4. All the RAs in the State are requested to strictly adhere to the time line set in this office circular no. 16/2005-06 dated 03.8.2005 for issuing registration within **5 working days** (Bangalore city LVOs) and within **8 working days** (offices outside Bangalore city) without giving scope for complaints in this regard.



## **COMMERCIAL TAXES DEPARTMENT**

**Check List and the enquiry report in case of Sri/Smt/ M/s**

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**who is seeking registration under the KVAT Act, 2003/CST Act/ KTEG ACT/  
PT Act in the office .....**

**A. Date of visit to the business premises:**

**B. The person who was present with documents at the time of visit:**

**I) BUSINESS RELATED DETAILS**

- 1) Name and style of business
- 2) Date of commencement of business
- 3) The goods proposed to be dealt
- 4) Capital proposed to be invested
- 5) Source of capital- own / Bank loan (Details of the Bank)
- 6) Estimated TO
- 7) Dealer from whom goods are intended to be procured
- 8) Whether there are any other branches if so
  - a) The location
  - b) Concerned LVO
  - c) Name of the Bankers the applicant



**II) Whether the dealer is a sole prop/partnership firm/company/HUF**

**1) If the dealer is a sole prop,**

- a) Whether he is a member of HUF
- b) Whether he is having any independent means

**2) If the applicant is a minor**

- a) Whether the guardian has furnished proof
- b) Reason for obtaining registration in the name of the minor
- c) Whether the guardian is related to the minor?

**3) If the applicant is a lady**

- a) Whether she is married
- b) If so her husbands details
- c) Reason for entering into the business
- d) If unmarried her fathers details

**4) Whether it is a registered partnership**

- a) If so Reg. No date and period of partnership
- b) Partners details
- c) Extent of interest of partners
- d) Investment made by each partner
- e) Whether any of the partners possess RC from this dept, individually or partnership with some others
- f) If so nature of business and details
- g) Copy of partnership deed

**5) If the applicant is a company**

- a) Registration. No and date
- b) Whether Limited Company or unlimited company
- c) Whether memorandum and articles of association has been filed/if nor reasons for not filing
- d) Name of the directors on Board
- e) Name of the Managing Director
- f) Whether copy of prospectus is filed

**6) If the applicant is a HUF**

- a) Name of the Kartha and all the coparceners
- b) Whether it is accepted by the IT Dept as HUF

**7) In case of a club**

- a) Whether it is a reg.club/If so reg.no etc.
- b) Whether the copy of the bi-law is filed

**8) In case of an association**

- a) The name of the persons forming an association

**III) DEALERS ADDL.INFORMATION**

- 1) Whether native of Karnataka /outside-details
  - 2) Educational Back ground
  - 3) Family History
  - 4) In case of person hailing from other state
    - a) Native village
    - b) Taluk
    - c) District
    - d) State
    - e) Postal pin code
    - f) Nearest police station/railway station
    - g) Reason for starting business here
    - h) Whether there are any VAT registered dealers hailing from the same village-
- 
- ✓ If the applicant is an individual than the property possessed by him or his father or spouse.
  - ✓ If the applicant is a partnership firm than the property possessed by each one of the partners.
  - ✓ If the applicant is a firm then the assets in the name of the company.
  - ✓ If the applicant is a HUF then the assets of the HUF If the applicant is an association then the assets of each member.

## **V) LOCATION AND INFORMATION RELATED TO THE BUSINESS PREMISES**

1. Where the business premises is situated
  - a. Land marks.
  - b. Whether the name board is displayed.
  - c. Whether the route map is enclosed.
  - d. Property Details.
  - e. Information about the neighbors.
  - f. Whether the place of business is rented /owned/leased
  - g. Whether the documentary proof of business address is furnished.
  - h. If the business premises is shared with some other dealer than name and address of the dealer/s.
  - i. The portion in the place of business demarcated for the applicant.
  - j. The agreement between the applicant and other dealers for sharing the place of business.
  - k. If the business premise is rented whether the owner of the building was contacted to confirm the genuineness of rental/lease agreement.
  - l. If so-whether personally or over the phone?
  - m. Name and address of the land lord.
  - n. Phone no of the land lord.
  - o. Monthly rent.
  - p. Period for which the building is taken for rent
2. ***Whether the applicant is paying Income Tax***
  - a) If so PAN details
  - b) Whether the applicant is paying Professional Tax
  - c) If so Enrolment no and nature of profession.
3. Whether the applicant is a member of any registered trade association  
If yes, particulars.

4. Whether the applicant is member of any registered trade assn  
If so particulars.
5. Whether the applicant is registered under the Shop and Establishment Act  
If so Regn. No and office where it is registered

**VI) DETAILS OF ORIGINAL DOCUMENTS FURNISHED FOR VERIFICATION  
AND SIGNED COPIES OF THE SAME OBTAINED :**

- a) PAN of the applicant
- b) Individual Identity proof:
- c) Business address proof:
- d) Residential Address proof:
- e) Bank details:
- f) Partnership Deed:
- g) Memorandum and articles of Association
- h) Authorized Signatory details:
- i) Certificate if any issued by statutory authority

**VII) GPS Readings of business premises:**

**Findings of the CTI:**

<b>N</b>			
<b>E</b>			

Place Bangalore

Date:

**Commercial Tax Inspector  
O/o the Asst. Commr. of Comml. Taxes  
LVO - 030 (Additional), B'lore.**