

Circular No.10/2006

Sub: Registration under KVAT Act 2003, and CST Act, 1956-reg

In supersession of all orders hitherto in this matter it is hereby directed that applications for registration under the KVAT Act, 2003 and CST Act, 1956, except in respect of evasion-prone commodities such as timber, iron and steel, veneer, plywood, packing cases, hill produce items, cement, edible oil, rubber, coffee and other notified goods, chicken, electrical goods, automobile spare parts, readymade garments, cashew, and chemicals, shall be disposed off in seven days of receipt by all officers of the Commercial Taxes Department.

The procedure below shall be followed to ensure disposal within the time limit laid down.

(a) The application in all cases shall be made to the Assessing Authority concerned. As per Notification SRO No.478/2005 dt 9.5.2005, Inspecting Assistant Commissioners, Assistant Commissioners and Commercial Tax Officers appointed under section 3(3) have been notified as Registering Authority.

(b) Every application for registration in Form 1 or 1A, as the case may be, shall be accompanied by -

1. Registration fee in the form of DD from a scheduled bank in favour of Assessing Authority at the same station as the Assessing Authority.
2. Two passport size photographs of the proprietor or of all partners, as the case may be
3. Self-attested copy of the document to prove the identity of the applicant, such as Passport or Electoral Identity Card or Driving Licence

Where the applicant has a PAN card, he shall furnish a copy of the same.

4. A declaration stating the name of the person who shall be deemed to be the manager of such dealer's business and all returns signed and statements so made by such manager shall be binding on the dealer. Such declaration may be revised from time to time.
5. In the case of a partnership firm, by
 - a. An attested copy of the partnership deed
 - b. certified copy of resolution of its partners to apply for registration and authorizing a partner to apply on its behalf, and

- c. a declaration in Form No 2, signed by all the partners stating the names and addresses of all the partners and their respective shares in the business;
6. In the case of a proprietary concern where an individual other than the proprietor is to sign the application, an attested copy of a registered power of attorney to act on behalf of such proprietor in the matters of the entity
7. In the case of a company or association of persons or body of individuals, by
 - a. a copy of the Memorandum of Association and Articles of Association and Certificate of Incorporation,
 - b. certified copy of resolution of its Board of Directors to apply for registration and authorizing a Director/ Manager/ / Secretary to apply on its behalf, and by
 - c. a statement showing the details of authorized signatories in Form No. 2A
8. A notarized statement on stamp paper of value of Rs.100 in the form appended hereto.
9. Attested copy of Lease Deed valid as on date of application or document proving ownership of premises for which registration is requested. Attestation is to be done by Bank Manager of the applicant.
10. Self-attested copy of Licence from Corporation/ Municipality/ GramaPanchayat for running the business excepting in the case of industrial estates/ areas/ zones run by the Industries Department/ SIDCO/ KINFRA and other State/ Central Government Departments/ Agencies.
In case licence has not been received, a copy of the application fee remitted in this regard will suffice.
11. Self-attested Copy of Provisional SSI Registration Certificate / IEM/ Letter of Permission, if any.
12. Security deposit as given below in the form of bank guarantee/ Demand Draft/ National Savings Certificate/ Fixed Deposit; the form shall be at the option of the applicant.
13. One self-addressed envelope of size 5'x11' stamped for Rs.25/-.

(c) Who Shall Sign: The application and the accompanying documents shall be signed, in the case of a business carried on by--

- (i) a proprietary concern, by the proprietor or by an individual holding a registered power of attorney;
- (ii) a firm, by a partner duly authorized to act on its behalf in terms of the partnership deed, or by all the partners;
- (iii) a company, by a Director/ Manager/ Secretary duly authorised to act on its behalf it shall not be necessary to obtain signatures of all Directors.

(d) Fees for Registration shall be as under:

Where the total turnover is less than five lakhs rupees	Five hundred rupees
Where the total turnover is five lakh rupees and above but is less than ten lakh rupees	Seven hundred and fifty rupees
Where the total turnover is ten lakh rupees and above but is less than fifty lakh rupees	One thousand rupees plus Twenty-five rupees for each lakh or part thereof above ten lakh
Where the total turnover is fifty Lakh rupees and above	Two thousand rupees plus fifty rupees for each lakh or part thereof above fifty lakh, so however that the total registration fee shall not exceed twenty thousand rupees.
Certified copy of Registration certificate	Rs.150 Per copy

(e) Security may be accepted in the following manner:

Category		SECURITY DEPOSIT	
		KVAT Rs.	CST & KVAT Rs.
A	Individual/ Proprietorship		
1	Resident Kerala	5000	15000
2	Non Resident Kerala	10000	25000
B	Partnership Firm		
1	Resident Kerala	10000	25000
2	Non Resident Kerala	20000	50000
C	Company		
1	Resident Kerala	25000	50000
2	Non Resident Kerala	50000	75000

No security shall, however, be demanded from a dealer who deals only in goods included in the First Schedule to the Act or from a dealer who opts for payment of presumptive tax. The amounts of security shall not be more than 50 % of the tax due on the turnover conceded by the dealer.

The Registering Authority may, if it is convinced on enquiry that the above security is not sufficient to safeguard the interests of revenue,

with sanction of its next higher authority, seek from the applicant in writing a higher amount as security.

The form of security from among the various forms prescribed is left to the choice of the applicant, and the registering authority/ Assessing Authority shall not insist on any particular form of security.

(f) The Assessing Authority shall issue a provisional receipt to the applicant mentioning the date and time for scrutiny at the time of accepting the application.

On rectification of defects if any in the application on scrutiny proper acknowledgement should be issued.

(g) The Assessing Authority shall inspect directly or through his subordinate the premises in respect of which the registration is applied for, and satisfy himself that it is adequate in size for the turnover projected. Such inspection may be with/ without notice to the applicant.

(h) If any information furnished by the applicant or in the sworn statement is found to be false or where any vital information has been suppressed, immediate steps should be taken to demand adequate security/additional security. The business transactions of such dealers should be closely followed up to prevent any leakage of revenue.

(i) Where on enquiry it is found that the applicant's antecedents are suspicious, or that he is likely to evade taxes, or that he is only a name lender or benami and not the actual person behind the business, the application should be rejected with the concurrence of his next higher authority, with the reply detailing the reason for the rejection.

Where after grant of registration it is found on such enquiry to have been obtained through fraud or where the registered dealer is found to be a benami, immediate steps should be taken to cancel the registration and also to penalize the dealer in accordance with law. In the case of benamis the actual person behind the business should be found out.

(j) The TIN / PIN shall be granted by the Registering Authority. The registration certificate shall be given validity only from the date on which the registering authority passes final orders granting the registration.

(k) Registration Certificate should be issued by registered post with AD within seven days from the date of receipt of the completed application to the address of the dealer mentioned in the application. Hand delivery shall not be allowed.

(l) The registering authority/assessing authority shall monitor the dealer after the grant of registration, and if he has reasons to believe that the dealer is likely to default tax, he shall demand additional security under the proviso to section 17(2). The assessing authority should closely follow up cases of new registration and ensure that the dealer pays the tax due under the Act promptly.

(m) In cases of application for the evasion-prone goods listed above, the grant of registration will be considered by the Inspecting Assistant Commissioners; where the Inspecting Assistant Commissioner is not the Assessing Authority the case shall be enquired into by the Assessing Authority and a report rendered in 10 days of receipt of the completed application form with the enclosures listed above, and the Inspecting Assistant Commissioner shall dispose off the case within 5 days of receipt of the same.

(n) Any officer showing any laxity in following up such cases and in revising security deposit after grant of registration where warranted, will be held personally liable for any loss of revenue.

(o) The Deputy Commissioners shall monitor the new registrations granted and take corrective steps to avert loss of revenue.

Commissioner
Commercial Taxes

<u>/ industry</u>		

No amount is due to Government by the above business by way of tax/ penalty./ An amount of Rs.....is outstanding from these business(es) to Government by the above business by way of tax/ penalty.

I/ We have not applied for Registration under KVAT Act 2003 anywhere else in the State. I/ We have no Sales Tax Registration under KVAT Act 2003/ Central Sales Tax Act 1956 in the State of Kerala.

I/ We am conversant with the provisions of the KVAT Act 2003, KVAT Rules 2005, Central Sales Tax Act 1956 and Central Sales Tax (Registration and Turnover) Rules 1957 and undertake to comply with them.

I/ We agree to keep correct and complete books of accounts of the business as prescribed under the above Act and Rules relating to the business transaction of the dealer.

I/ We agree to produce the books of accounts whenever it is called for and also show the same before any Inspecting Authorities on demand. I agree to file statutory returns and pay tax regularly without default.

I/ We are ready to remit the required Security Deposit demanded by the officer for registration under the KVAT Act 2003 and the Central Sales Tax Act 1956.

I affirm that the information furnished above is true and that I am giving the statement voluntarily and not under the influence or pressure from any body else.

Dated this theday of

Name and Address of
deponent with date

Solemnly affirmed and signed before me by the above deponent at my office at . . .
..... on this the day of

Notary Public

Note:-*Strike out which ever is not applicable.

Check List of documents to accompany Filled up Application Form

(Tick if received)

1. Registration fee (by DD)
2. Two passport size photographs
3. Self-attested copy of Passport / Electoral Identity Card / Driving Licence; and PAN card if any.
4. Declaration stating the name of the person who shall be deemed to be the manager.
5. If partnership firm,
 - d. Attested copy of Partnership Deed
 - e. Certified copy of resolution to apply for registration and authorization, and
 - f. Declaration in Form No 2.If proprietary concern where an individual other than the proprietor is to sign the application, an attested copy of a registered power of attorney.
If company
 - d. A copy of the Memorandum of Association and Articles of Association and Certificate of Incorporation,
 - e. Certified copy of resolution of its Board of Directors to apply for registration and authorization, and
 - f. a statement showing the details of authorized signatories in Form No. 2A
6. Notarized affidavit in stamp paper of Rs.100.
7. Copy of Lease Deed attested by dealer's Bank Manager
8. Self-attested copy of Licence from Corporation/ Municipality/ GramaPanchayat.
9. Copy of Provisional SSI Registration Certificate / IEM/ Letter of Permission, if any.
10. Security deposit as given below in the form of bank guarantee/ Demand Draft/ National Savings Certificate/ Fixed Deposit.
11. One self-addressed envelope of size 5'x11' stamped for Rs.25/-.

Receipt

Received application form with 11 documents above.

Kindly take notice that the inspection of the premises is scheduled for am/ pm on

Signature & Name
of Registering
Authority with
Date