

Scope of items to be covered under “Hardware goods”

One of the items specified under notification no. 25 dt. 31-03-2006 for downloading Form-49 is “Hardware Goods”. The term hardware can cover variety of goods. Due to this, registered dealers sometimes fall in dilemma that whether or not their product will be covered under Hardware Goods.

In such situation, decision of Allahabad High Court in case of Aftab Husain Imdad Husain can provide little guidance. [(1970) 25 STC 471 (All.)]

On going through the said decision, it is clear that every article that is made of iron or other base metal cannot be regarded as an article of hardware. The Honourable High Court has, after considering literature in some of the then popular trade journals and catalogues of hardware items, like “British Empire Trade Index” and the “Bombay Market” has clarified that hardware items shall include the following:

1. Mill-stores like small tools and spare parts of machinery.
2. Small items of base metals, particularly- building materials like nuts, bolts, hinges, rivets, latches, curtain railings, window grills etc.

Relevant portion of the said decision is shared below for reference of our clients and professional colleagues.

Readers are requested to note that above decision does not give an exhaustive or complete list of all goods that are to be covered or not to be covered under hardware items but it may provide guidance in case of litigation or problems at check-post.

HARDWARE

Steel trunks are not hardware

In the commercial world the term "hardware" refers to a well-defined section of trade. Every article that is made of iron or of other base metal is not regarded as an article of hardware. In the popular sense "hardware" would comprise small articles of base metals such as iron, copper, aluminium and their alloy like brass *etc.* The meaning in the Shorter English Oxford Dictionary approximates to this popular meaning. There the term "hardware" means "small wares or goods of metal, ironmongery".

In order to ascertain the true scope of the term "hardware", as understood in the commercial world, it would be helpful to look into some trade journals and catalogues of hardware items, like "*British Empire Trade Index*" and the "*Bombay Market*". A perusal of these documents shows:—

- (i) that hardware and mill-stores are allied trades;
- (ii) that mill-stores comprise of items like small tools and spare parts of machinery;
- (iii) that hardware trade by itself refers ordinarily to small items is base metals particularly building materials like nuts, bolts, hinges, rivets, laches, curtain railings, window grills *etc.*;
- (iv) that steel trunks are not one of the items of hardware or of mill-stores; and
- (v) that there is a separate classification of trade known as iron and steel trade. Steel trunks would probably fall in that classification. Therefore, steel trunks cannot be regarded as item of hardware. — *Commissioner of Sales Tax v Aftab Husain Imdad Husain*, (1970)25 STC 471 (All.).

Clarification on rate of tax of various items of Schedule II (292 dt 31/07/2006)

We receive numerous queries regarding rate of tax on various items on which Schedule II is not very clear.

Hon'ble CCT had issued circular number 292 dt. 31/07/2006 to clarify rate of tax on various items such as – renewable energy devices, tarpaulin, ferro-alloys, ruhafza, components used in manufacture of transformer, Jute items, office stationary, scientific and medical equipments, electrical power capacitors, insulation tape, cut-out, photo and stamp albums, school bags, soap stone, lead oxide, UPS inverter, trade rubber, bi-metal bearing, paper board, brass and copper utensils, non-ferrous metal scrap, khoya and paneer, mini rice mill and allied products, plastic items (namely mugs, spoon, bowl, glass, containers etc.) handkerchief, drip irrigation systems, dental equipments, etc.

A copy of said circular is attached below.

Readers are requested to note that rates mentioned in below circular which are 4% and 12.5% were amended from time to time and are presently 5% and 14% respectively.

[Clarification on entries of schedule II](#)

Amendment in PT Rates

As per recent amendments, the rates for Professional Tax for Employers as well as dealers of registered under MP VAT Act have been amended which are applicable w.e.f. 01/04/2013. The revised rates are as follows:

Persons in employment whose annual salary or wages: (to be deducted by employers)	
a) does not exceed Rs.1,50,000	NIL
b) exceeds Rs.1,50,000 but less than Rs.1,80,000	NIL
c) is Rs.1,80,000 and more	Rs.2,500 (Rs.208 per month for 11 months and Rs.212 for the twelfth month)
For dealers liable to pay tax under MPVAT Act, whose annual gross turnover:	
a) does not exceed Rs.10,00,000	NIL
b) exceeds Rs.10,00,000 but less than Rs.50,00,000	Rs.2,000
c) is Rs.50,00,000 and more	Rs.2,500

Note: There is no amendment in respect of company assesseees, and such assesseees are liable to pay PT of Rs.2,500 annually as per existing provisions irrespective of turnover.

Please note, this post does not contain complete list of PT payable. A person may be covered under any other entry of PT schedule which is not mentioned above.

Procedure for online application of C-Form (Madhya Pradesh)

MP Commercial Tax Department has changed the procedure for obtaining C-Forms from the department. A detailed walkthrough of the process of applying and downloading C-Form from the website of the department is attached herewith.

click her to download [C-Form User Manual](#)