

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.).