

**GOVERNMENT OF TAMIL NADU  
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE  
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING**  
(Under Section 48-A of TNVAT Act, 2006)

**Present: 1. Dr. K. Manivasan, I.A.S.,  
Commissioner of Commercial Taxes,  
2. Thiru. R. Chandramohan, M.A.,  
Additional Commissioner (PR)  
3. Thiru. B. Gnanasekar, M.A.,  
Additional Commissioner (RP)**

\* \* \* \* \*

**A.C.A.A.R 22/ 2011-12**  
**D.Dis.Acts Cell II/301/2012**

**Dated 25.07.2012**

Ref: Application of Tvl.Madras Security Printers, No.72,  
Thiruvottiyur High Road, Chennai-600 081 dated  
29-12-2011

**ORDER**

Tvl. Tvl.Madras Security Printers, No.72, Thiruvottiyur High Road, Chennai-600 081 (TIN: 33101200363) have filed an application and sought clarification under Section 48-A of TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

2. They have sought clarification on the following item in column 4 of Form 'VV':

**"Smart Cards "**.

3. The issue has been examined in detail with reference to the provisions of TNVAT Act and Rules and ruling is given.

4. The Tamil Nadu Value Added Tax (Second Amendment) Act, 2011 came into force on 27.09.2011, inserting a new Section 48-A for the constitution of a State Level Authority for Clarification and Advance Ruling to clarify any point concerning the rate of tax.

5. The applicants have sought clarification on the rate of tax on **"Smart Cards"**.

6. Smart Card is a plastic card about the size of a credit card, with an embedded microchip-either a memory or microprocessor-that stores and transacts data, used for telephone calling, electronic cash payments, and other applications, and then periodically refreshed for additional use. A smart card contains more information than a magnetic stripe card and it can be programmed for different applications. Some cards can contain programming and data to support multiple applications and some can be updated to add new applications after they are issued. Smart cards can be designed to be inserted into a slot and read by a special reader or to be read at a distance, such as at a toll booth. Cards can be disposable or reloadable. The applicant has stated that the functioning and usage would prove that a smart card is nothing but an electronic integrated circuits and micro-assemblies falling under Entry 68(17) of Part B of the First Schedule to the TNVAT Act 2006.

7. Entry 68 of Part-B to First Schedule reads as follows:

**"Information Technology Products as notified by the Government."**

8. In accordance with the said Entry, Government have notified 30 products as information Technology Products in notification No.II(1)/CTR/(a-6)2007, dated 01.01.2007. The exhaustive list of IT products under the said Entry, however, does not contain "Smart Card". In other words, Government have not notified "Smart Card" as IT Product.

9. Entry 69 of Part C to First Schedule reads as follows:

**"Any other goods, not specified in any of the schedules"**.

10. As there is no specific entry for "Smart Card" in any of the schedules, Smart Cards are considered as unclassified goods.

11. The ruling is therefore that "**Smart Cards**" are unclassified goods taxable at 14.5% under Entry 69 of Part-C of the First Schedule to the TNVAT Act 2006.

Sd/- R. Chandramohan  
Additional Commissioner (PR)

Sd/- B. Gnanasekar  
Additional Commissioner(RP)

Sd/- K. Manivasan  
Commissioner of Commercial Taxes

To  
Tvl.Madras Security Printers,  
No.72, Thiruvettiur High Road,  
Chennai-600 081

Copy to:

Assistant Commissioner (CT)  
Tondiarpet Assessment Circle.  
The Joint Commissioner (CS)

**To host in Department Website**

The Secretary to Government, Commercial Taxes and Registration  
Department , Secretariat, Chennai - 9.

All Joint Commissioners (CT), including Enforcement, LTU, MOU and ISIC

All Deputy Commissioners (CT), Territorial , Assessment and Enforcement

All Head of offices (Assessment)

The Joint Commissioner (CT), Chennai (East) Division, Chennai-6.

The State Representative, Sales Tax Appellate Tribunal, Chennai-104

The Addl. State Representative, (AB) Chennai, Madurai and Coimbatore

The Director, CTSTI, Greams Road, Chennai-6.

The Executive Officer, Traders Welfare Board, Chennai-5..

The Accountant General (Audit)-II, No.44 , Greams Road, Chennai-6.

The Deputy Commissioner (CT), Zone-IX, Chennai-6.

All Additional Commissioners, Deputy Commissioners, Assistant Commissioners,  
Commercial Tax Officers in CCT 's Office

Personal Clerk to the CCT

Stock file / Acts Cell II / Spare-5

//forwarded by order//

  
30/7/12  
Commercial Tax Officer