

GOVERNMENT OF ARUNACHAL PRADESH  
OFFICE OF THE COMMISSIONER (TAX & EXCISE)  
ITANAGAR

NO: TAX-105/2005/130

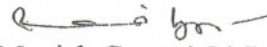
ated Itanagar, the 06<sup>th</sup> May, 2005.

CIRCULAR NO. VAT -04.

There are some confusions regarding method to calculate Final Sale Price of commodities under VAT system. It is hereby clarify that following methods shall be followed to calculate the Final Sale Price by any dealer:-

- (1). Start with purchase of commodity (Exclude VAT or Entry Tax charged)
- (2). Add Duties/fees under Excise Act (if any)
- (3). Add Transportation, Insurance, Handling, Dealer Margin etc. (if any)
- (4). TOTAL = (1) + (2) + (3)
- (5). Less Discount
- (6). Sale Price = Total (4) - Discount (5)
- (7). VAT = Sale Price (6) x tax rate
- (8). Final Sale Price = Sale Price (6) + VAT (7).

It is again clarified that the starting price (1) in the above formula would exclude VAT charged or Entry Tax paid by the dealer at the time of purchase/import. Similarly, the tax is to be charged on discounted price, if any discount is given to the customer.


  
( Manish Gupta ) IAS  
Commissioner & Secretary  
Tax and Excise  
Govt. of Arunachal Pradesh,  
Itanagar.

NO: NO: TAX-105/2005

Dated Itanagar, the 06<sup>th</sup> May, 2005.

Copy to:-

1. All Deputy Commissioner/All Superintendent of Tax & Excise of the district.
2. All Secretaries/Commissioners, Govt. of Arunachal Pradesh.
3. All Directors/Head of Officers/DGP Govt. of Arunachal Pradesh
4. The Chief Engineer-Hydro Power Development, Power (Electrical), PWD, RWD, IFCD, Govt. of Arunachal Pradesh.
5. Autonomous Institutions like NHPC, NEEPCO, HUDCO, PGSI, AP Polytechnic etc.
6. Registrar of Co-operative Society for circulation to All societies.
7. Officer Commanding, Military & Paramilitary Establishment.
8. ACCI, Naharlagun.
9. Office copy.

  
( Manish Gupta ) IAS  
Commissioner & Secretary  
Tax and Excise