

VALUE ADDED STATEMENT

① GVA

Value added statement of _____ for year ended _____
Per _____ Amt

I] GENERATION:

Sales	xx
(-) Rm and other bought out services.	(xx)
selling, dist, audit fees, admin exp; int on (ST), excise duty.	
VA from manufac & trading activity.	xx
(+) other income	xx
GVA b4 extraordinary item.	xx
± extra ordinary item.	xx
(fire, theft)	
GVA	xx

II] APPLICATION: (DEFGR)

- To Directors: remuneration, sitting fees.
- To Employees: salary, wages, pf.
- To financiers: interest (CT), equity div, pref div.
- To government: taxes, less.
- Retention: reserves, retained earnings, depreciation, DTA, Hanky 2 reserves, provision for Bad debts.

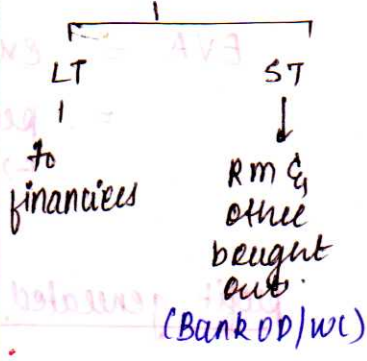
total generation = total application.

Reconciliation stmt (GVA → PBT)

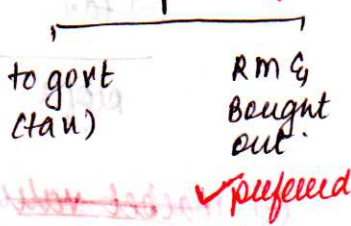
GVA	xx
(-) salary	
(-) dep ⁿ	
(-) interest	
(-) prov for dd	
(-) exp b4 PBT	
± EO	
PBT	

• Sales: net of return and inclusive of ST.

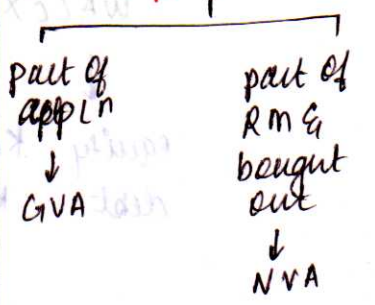
Interest



Excise duty



depreciation



$NVA = GVA - dep^n$

Ratios

- %, exp / GVA, exp / no, retention / no.
- DTA (if x retention) can be part of govt (taxes) also.
- If opn bal of P&L and surplus (A & B) retention = cp - opn bal.

Amt
(%)
of
GVA