

FAQ

Q:- Whether Custom duty paid on imported raw material be included in value of raw materials (raw material cost) with respect to value addition formula under the PLI scheme.

Value Addition formula: $(A-B) / B \times 100$

A= Products sale value declared in GST Invoice excluding GST

B= Purchase value of Inputs/raw materials excluding Duties/Tax/Cess

A:- It is clarified that for the purpose of calculating Value Addition, purchase value of inputs/raw materials excluding duties/tax/cess is to be considered.

However, the accounting is to be done in accordance with IND AS 2 so that the core/base value of purchase of raw materials (excluding taxes/ duties/ cess/ discounts) can be extracted for verifying the value addition.