

**Frequently Asked Questions-III (FAQs-III)**  
**For PLI Scheme for Automobile and Auto Component Industry**  
**(PLI-AUTO or 'the Scheme')**

**Dated: 11th May, 2022**

**1. Answer to Question Number-20 (Stage II) of FAQ II dated 22.12.2021 is amended as below:**

*“Certification of Minimum 50% Domestic Value Addition (DVA) by Testing Agency (TA) based on Invoiced/Costed Bill of Material (BOM) by excluding Cell Price (required for assembly of Battery Power Pack) on actual cost basis or upto a maximum of 25% of the price of the Battery Electric Vehicles (Ex-factory) and for the period co-terminus with setting up of manufacturing facilities of ACC under the PLI ACC scheme in India. The approved applicant will submit the Domestic Value Addition certificate duly cost audited by External Auditor (Cost or Chartered Accountant) and self-certified by the authorized representative of the approved applicant through PLI Auto Portal in the prescribed format.”*

**2. The approved applicant will initially submit the Domestic Value Addition (DVA) certificate through PLI Auto Portal in the prescribed format for certification of minimum 50% Domestic Value Addition (DVA) by Testing Agency (TA). When will the approved applicant required to again submit DVA certificate under PLI Auto scheme?**

**Ans.** Once certification of minimum 50% Domestic Value Addition (DVA) is issued by Testing Agency (TA), the approved applicant is required to re-submit DVA certificate duly cost audited by External Auditor (Cost or Chartered Accountant) and self-certified whenever there is a change in supply chain adversely affecting DVA for the selected AAT products.

However, Re-validation or Periodic Surveillance Assessment of the AAT Products shall be done by the concerned certificate issuing Testing Agency by selecting random samples from the production line, annually or as per requirement. The percentage (%) of DVA calculated during re-validation or periodic surveillance will be used to check that the concerned AAT Product continues to meet the requirement of minimum 50% DVA.

**3. There may be cases in which any approved applicant has been initially issued minimum 50% Domestic Value Addition (DVA) by Testing Agency (TA) as per the prescribed procedure. Subsequently, there has been a reduction in DVA of the concerned AAT Products mainly due to fluctuation in raw material prices and/or currency in due course of time, without any significant change in the supply chain. In these cases, whether the initial certification of 50% DVA will remain valid in the PLI Scheme?**

**Ans.** In these cases, the initial assessment of 50% or above DVA done by Testing Agency (TA) will remain valid in the PLI Scheme subject to there is no significant change in the supply chain by the approved applicant w.r.t initial assessment approval.