

REQUEST FOR PROPOSAL

For

Selection of Manufacturers for Setting Up Manufacturing Capacities for Advance Chemistry Cell (ACC) under the Production Linked Incentive (PLI) Scheme

Date: December 17, 2021

RESPONSE TO THE QUERIES

S. No	Query	Response
1.	<p>Document: RFP</p> <p>Clause: 1.1.3, Page 6</p> <p>Document Text: to commit to set-up an Advance Chemistry Cell manufacturing facility of minimum 5 (five) GWh capacity and with Value-Addition (as defined in the Programme Agreement) of minimum 25% (twenty-five percent) within 2 (two) years from the Appointed Date and minimum 60% (sixty percent) Value Addition within 5 (five) years from the Appointed Date....</p> <p>Query: Please edit the same to: “to commit to set-up an Advance Chemistry Cell manufacturing facility with Value-Addition (as defined in the Programme Agreement) of minimum 25% (twenty-five percent) within 2 (two) years from the Appointed Date and of minimum 5 (five) GWh capacity with minimum 60% (sixty percent) Value Addition within 5 (five) years from the Appointed Date,”</p> <p>Similar change in page 77, Format for letter of award, Similar change in Page 2 of Program Agreement</p>	<p>Please refer to Addendum – 1.</p>
2.	<p>Document: RFP</p>	<p>Please refer to Addendum – 1.</p>

S. No	Query	Response
	<p>Clause: 2.2.3, Page 11</p> <p>Query: Please allow Net worth of parent for eligibility.</p>	
3.	<p>Document: RFP</p> <p>Clause 3.3.3, Page 29</p> <p>Query: Please explain the significance of table with reference to formula mentioned within and how the same would change subsidy calculation. What is the significance of A, $A*1.2$, $A*1.2^2$, $A*1.2^3$ & $A*1.2^4$?</p>	<p>The bidder has to submit the required base subsidy which it wants to receive from the Programme administrator i.e. "A" in this case. This base subsidy quoted by the manufacturer at the time of bid submission will be considered for disbursement.</p> <p>However, manufacturer will receive the subsidy based on the ACC's actual position in the matrix (<i>this will be determined from results of the tests carried out by accredited laboratories</i>).</p>
4.	<p>Document: RFP</p> <p>Clause 3.3.5, Page 30</p> <p>Query: Please add definition of "Benchmark subsidy" for clarity purpose.</p>	<p>Subsidy benchmark refers to amount of Subsidy indicated in the Financial Bid, indicated as "A" in clause 3.3.3 of the RFP</p>
5.	<p>Document: Programme Agreement</p> <p>Clause: 6.2.4, Page 20</p>	<p>Please refer to Addendum-1.</p>

S. No	Query	Response
	<p>Document Text: "shall achieve completion of the Committed Capacity within 2 (two) years from the Appointed Date."</p> <p>Query: shall achieve completion of the Committed Capacity as per promised schedule from the Appointed Date.</p>	
6.	<p>Document: Programme Agreement</p> <p>Clause: 8.2, Page 24</p> <p>Query: As penalty is calculated against actual sales, how would the same be calculated for quarterly changes (Example, production of both Q1 & Q2 being sold in Q2.</p> <p>Utilization factor varies for a manufacturing plant over time (on account of scheduled maintenance etc), how would such fluctuation be accounted.</p> <p>Since the subsidy calculation is based on sales (production) and commitment is on capacity, so the committed capacity should be with accounting of utilization factor.</p>	Standard bid condition prevails.
7.	<p>Document: Programme Agreement</p> <p>Query: Does DHI / SECI / MNRE / Govt provide any assurance of offtake for the committed capacity?</p>	No such condition envisaged.
8.	<p>Document: Programme Agreement</p> <p>Clause: Annex 1, Page 49</p> <p>Query: Define Effective subsidy</p>	Please refer to Addendum -1.
9.	Document: Programme Agreement	Standard bid condition prevails

S. No	Query	Response
	<p>Clause: Annex 1, Page 49</p> <p>Query: The RFP entails steep penalty. Given that India has no ecosystem for cell manufacturing and current demand volumes is also low, request Govt to kindly relook at the penalty terms. Further, since the govt. intentions is to promote manufacturing in India, firms achieving higher than envisaged commitment should be incentivized under the RFP.</p>	
10.	<p>Document: RFP</p> <p>Clause: 3.3, Page 29</p> <p>Document Text: Evaluation of Financial Bids</p> <p>Query: Please clarify that if a bidder wants to setup two different manufacturing lines with varying parameters of energy density, cycle life and production capacities, how will the bid be evaluated and how will the testing and subsidy disbursement be carried out?</p>	Please refer to Addendum-1
11.	<p>Document: Programme Agreement</p> <p>Clause: 1.4.3.1, Page 59</p> <p>Document Text: High Rate Discharge test</p> <p>Query: Please specify the minimum value of peak discharge current with reference to the Ah capacity of the cell.</p>	Please refer to the note in clause 1.4.3.1 of the programme agreement
12.	<p>Document: Programme Agreement</p> <p>Clause: 1.4.4.2, Page 60</p>	Please refer to clause 1.4.2.5 of Schedule-D

S. No	Query	Response
	<p>Document Text: Such type of testing will be highly data driven and require data modelling or machine learning to predict the cycle life the ACCs. Prediction of cycle life will require a large database of cycle life calculation of multiple ACCs. Once the database is created, capacity degradation behaviour of the ACCs can be predicted using the appropriate tool.</p> <p>Query: Which agency will create and validate the database for multiple ACCs?</p>	
13.	<p>Document: RFP</p> <p>Clause: 2.3.1, Page 15</p> <p>Document Text: Where the Bidder is a Consortium, change in the composition of a Consortium may be permitted by the Government, only where:...</p> <p>Query: Can a single entity bidder form a JV later on for establishment of the manufacturing facility as long as they maintain >26% equity share?</p>	Standard bid condition prevails
14.	General Query: How would VA of recycled inputs be accounted in Value addition calculations?	Not Applicable

15.	<p>Document: RFP</p> <p>Clause: 1.3.5, Page 8</p> <p>Document Text: Schedule of Bidding Process, Bid Due Date - 31-12-2021</p> <p>Query: We request the government to give an extension of 4 weeks (31-01-2022) for bid submission from the current bid due date 31-12-2021</p>	Standard bid conditions prevail.
16.	<p>Document: RFP</p> <p>Clause: 3.2.1, Page 27</p> <p>Document Text: "...Value Addition (as defined in the Programme Agreement) committed by the Bidder, and the Committed Capacity (as defined in the Programme Agreement) committed by the Bidder (the "Technical Capacity"). Only those Bidders who commit Value Addition of at least 25% (twenty-five percent) within 2 (two) years from the Appointed Date and minimum 60% (sixty percent) Value Addition within 5 (five) years from the Appointed Date, and installation of ACC manufacturing capacity between 5 GWh to 20 GWh, within 5 (five) years from the Appointed Date..."</p> <p>Query: Please confirm if the bidder manufactures cells using different chemistries i.e., LFP, NMC, then value addition can be calculated as a weighted average of the two cells.</p> <p>E.g. 10 GWh of NMC and 10 GWh of LFP then value addition would be a weighted average of value addition for NMC and LFP.</p>	Please refer to Addendum 1
17.	<p>Document: RFP</p> <p>Clause: 3.3.3, Page 29</p> <p>Document Text: Technical specification matrix of Energy density & Cycle Life for qualification "Note: It is expressly clarified that the ACCs manufactured shall have a</p>	Clause 3.3.3, Page 29 would prevail.

minimum technical specifications viz. Energy Density and Cycle Life as provided in the shaded regions.

Table in the RFP document:

		Energy Density (Wh/Kg)				
		≥ 50	≥ 125	≥ 200	≥ 275	≥ 350
Cycle life	≥ 1000				A	A*1.2
	≥ 2000			A	A*1.2	A*(1.2 ²)
	≥ 4000		A	A*1.2	A*(1.2 ²)	A*(1.2 ³)
	≥ 10000	A	A*1.2	A*(1.2 ²)	A*(1.2 ³)	A*(1.2 ⁴)

Query: The offered matrix of Energy density & Cycle life may not cater to the electric vehicle (EV) industry.

Can the government consider the following new matrix to make it more inclusive for both EV and ESS industries.

OLA's recommended table:

		Energy Density (Wh/Kg)					
		≥ 50	≥ 125	≥ 175	≥ 225	≥ 275	≥ 350
Cycle life	≥ 1000					A	A*1.2
	≥ 2000			A	A*1.2	A*1.2	A*(1.2^2)
	≥ 3000			A*1.2	A*(1.2^2)	A*(1.2^2)	A*(1.2^3)
	≥ 4000		A	A*1.2	A*(1.2^2)	A*(1.2^3)	A*(1.2^3)
	≥ 10000	A	A*1.2	A*(1.2^2)	A*(1.2^3)	A*(1.2^3)	A*(1.2^4)

18.	<p>Document: RFP</p> <p>Clause: 3.3.3, Page 29</p> <p>Document Text: “Technical specification matrix of Energy density & Cycle Life for qualification “Note: It is expressly clarified that the ACCs manufactured shall have a minimum technical specifications viz. Energy Density and Cycle Life as provided in the shaded regions.”</p> <p>Query: Please provide the format for bidders to give the cell parameters namely cycle life and energy density in technical bid.</p>	Standard bid conditions prevail.
19.	<p>Document: Programme Agreement</p> <p>Clause: 1.3.2.1, Page 55</p> <p>Document Text: The energy density and cycle life tests shall be conducted at 0.5C charge and 0.5C discharge as the standard test condition or any other higher charge / discharge rate, if requested by the manufacturer.</p>	Standard bid conditions prevail.

	<p>Query: The matrix does not consider advanced technology for EV applications (say, extra fast charging & discharging at the rate of 3C and cycle life of about 600 cycles or say fireproof battery).</p> <p>Can the government provide, 20% of the bid committed capacity, to allow for scale-up of advanced technologies without considering value addition criteria or the qualifying matrix (energy density vs cycle life).</p>	
20.	<p>Document: RFP</p> <p>Clause: 2.2.10, Page 6</p> <p>Document Text: “The SPV will be required to enter into an agreement with the Government for availing the Subsidy and specifying the details of implementation of the Project (“Programme Agreement”). The SPV shall also enter into a Tripartite Agreement with the Government and the State Government for availing additional incentives as specified in Clause 1.1.3 above.”</p> <p>Query: Please specify if the State government incentives will be provided before the bidding date.</p>	Conditions of the Tripartite Agreement prevails.
21.	<p>Document: Programme Agreement</p> <p>Clause: 1.1 and 6.2.4, Page 5, 20</p> <p>Document Text: “Committed Capacity shall mean the production capacity allocated to the Beneficiary Firm by the Government subject to selection under the RFP”</p> <p>“The Beneficiary Firm shall achieve completion of the Committed Capacity within 2 (two) years from the Appointed Date...”</p> <p>Query: As per clause 6.2.4, Beneficiary firm is obliged to achieve committed capacity within 2 years from Appointed Date.</p>	Please refer to Addendum – 1.

	In this regard, please clarify if the entire capacity is to be achieved within 2 years or it can be achieved over a period between 2 to 5 years from the Appointed Date as will be quoted in the Technical Bid table.	
22.	<p>Document: RFP</p> <p>Clause: 3.4.2, Page 30</p> <p>Document Text: "The Bidders shall be ranked on the basis of their Bids and the Advance Chemistry Cell capacities shall be allocated in order of their ranking, with the Bidder ranked 1st (first) being allocated the capacity first, followed by the Bidder ranked 2nd (Second), so on and so forth till a cumulative capacity of 50 (fifty) GWh per year has been allocated. Such allocation shall be subject to a minimum allocation of 5 (five) GWh and a maximum cumulative allocation of 20 (twenty) GWh to a single Bidder, in blocks of 1 (one) GWh."</p> <p>Query: In case of partial allotment by the government, would the bidder have following choice:</p> <ol style="list-style-type: none"> 1. Revise the value addition and capacity quoted in the technical bid without affecting ranking. <li style="text-align: center;">OR 2. Withdraw entirely from the bid. 	Standard bid condition prevails.
23.	<p>Document: Programme Agreement</p> <p>Clause: 6.2.6, Page 21</p> <p>Document Text: "In the event that the Beneficiary Firm does not achieve the Value Addition and / or minimum Investment or Milestone 1 Completion Certificate within the stipulated period, and the delay has not occurred as a result of breach of this Agreement by the Government or due to Force Majeure, the Beneficiary Firm shall pay to the Government, liquidated damages in an amount calculated at the rate of</p>	Please refer to Addendum -1

	<p>0.1% (zero point one percent) of the Performance Security for each day's delay until the achievement of the above obligations."</p> <p>Query: For the cells manufactured in multiple chemistry configuration, please confirm that the weighted average of Sale Price of cells with multiple chemistry shall be considered for calculation of Value addition & disbursement of subsidies.</p>	
24.	<p>Document: Programme Agreement</p> <p>Clause: 11.7, Page 30</p> <p>Document Text: "The Subsidy payable by the Government shall in no event exceed 20% (twenty per cent) of the sale price of the Advance Chemistry Cell i.e., the effective total turnover on account of sale of Advance Chemistry Cells manufactured and sold by the Beneficiary Firm during the Term of this Agreement."</p> <p>Query: Is the "sale price" the same as Ex-factory price? If not, please clarify how it is determined.</p>	Please refer to Clause – N of the Programme Agreement.
25.	<p>Document: Programme Agreement</p> <p>Clause: 1.1, Page 9</p> <p>Document Text: "“Value Addition” shall mean the manufacturing activity (to manufacture Advance Chemistry Cell) being undertaken in India, by the Beneficiary Firm either on its own or through indigenous manufacturers, as described in Schedule -M.”</p> <p>Query: As per industry standard, scrap rates are 4-5%. Hence, we request not to consider 5% of input cost for calculating value addition.</p>	Standard bid conditions prevail
26.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E (3 (d)), Page 68</p>	Standard bid conditions prevail

	<p>Document Text: “Actual value added by the indigenous manufacturers' is 'actual value added' (as per the above formulae) by such units in relation to sale (net of returns, price adjustments, discounts, etc.) considered by the Mother Unit (for computation of the 'actual cumulative value added' by the Mother Unit). The value (in absolute terms) of 'Actual value added by the ancillary unit or domestic manufacturers' may be validated basis the statutory auditor's certificate received from the respective indigenous manufacturer i.e., ancillary unit or domestic manufacturers.”</p> <p>Query: Will value addition by suppliers of bidder’s Tier-1 suppliers be considered for value addition.</p>	<p>‘Actual value added by the indigenous manufacturers’ i.e., ancillary unit or domestic manufacturers attributable to sale value (net of returns, price adjustments, discounts, etc.) of said goods is allowed to be added for calculation of value addition</p>
27.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E (3 (b)), Page 67</p> <p>Document Text: “The final process of manufacture is performed in India. The term “manufacture” may mean processing of raw-material or inputs in any manner that results in emergence of new product having a distinct name, character, and use. In other words, to meet the qualifying criteria for the incentives, the Advance Chemistry Cell should be manufactured in India and have such percentage of localization as may be notified from time to time. Reference to the term “manufacture” may be drawn from section 2(72) of Central Goods and Service Tax Act 2017.”</p> <p>Query: In the technical bid, bidders quote value addition and not localization. Hence, please define what is localization, how will it be measured and will it have an impact on disbursement of subsidy?</p>	<p>Please refer to Addendum – 1.</p>
28.	<p>Document: Programme Agreement</p> <p>Clause: 8.2, Page 24</p>	<p>Please refer to Addendum – 1.</p>

	<p>Document Text: "If the Committed Capacity is 10 GWh, and the Beneficiary Firm achieves production / sale of 8 GWh, the Government shall deduct Subsidy payable for $2 * (10 - 8) = 4$ GWh. The Beneficiary Firm would, under such circumstance, be paid Subsidy for $(10 - 4) = 6$ GWh of capacity, notwithstanding commissioning of 8 GWh"</p> <p>Query: Committed capacity is defined in terms of volumes sold (GWh) and not production. Please confirm if our understanding is correct.</p>	
29.	<p>Document: Programme Agreement</p> <p>Clause: 8.2, Page 24</p> <p>Document Text: "If the Committed Capacity is 10 GWh, and the Beneficiary Firm achieves production / sale of 8 GWh, the Government shall deduct Subsidy payable for $2 * (10 - 8) = 4$ GWh. The Beneficiary Firm would, under such circumstance, be paid Subsidy for $(10 - 4) = 6$ GWh of capacity, notwithstanding commissioning of 8 GWh"</p> <p>Query: Considering seasonality of business, equipment downtime etc., while subsidy be disbursed quarterly, we request, evaluation of committed capacity, be evaluated on an annual basis.</p>	Standard bid conditions prevail.

30.	<p>Document: Programme Agreement</p> <p>Clause: 8.2, Page 24</p> <p>Document Text: "If the Committed Capacity is 10 GWh, and the Beneficiary Firm achieves production / sale of 8 GWh, the Government shall deduct Subsidy payable for $2 * (10 - 8) = 4$ GWh. The Beneficiary Firm would, under such circumstance, be paid Subsidy for $(10 - 4) = 6$ GWh of capacity, notwithstanding commissioning of 8 GWh"</p> <p>Query: Currently the committed capacity translates to production capacity. Accordingly, the bid assumes the plant will run at 100% at all times with no breakdown. Hence, we request that the bidder should have flexibility to define its production capacity and be evaluated against the committed capacity only.</p>	Please refer to Addendum – 1.
31.	<p>Document: Programme Agreement</p> <p>Clause: 8.2, Page 24</p> <p>Document Text: "If the Committed Capacity is 10 GWh, and the Beneficiary Firm achieves production / sale of 8 GWh, the Government shall deduct Subsidy payable for $2 * (10 - 8) = 4$ GWh. The Beneficiary Firm would, under such circumstance, be paid Subsidy for $(10 - 4) = 6$ GWh of capacity, notwithstanding commissioning of 8 GWh"</p> <p>Query: If the penalty amount exceeds the subsidy, please confirm the government will not encash performance security.</p>	Please refer to Clause 8.4 of the Programme Agreement. Standard bid conditions prevail.
32.	<p>Document: Programme Agreement</p> <p>Clause: 1.1, 3 (1) (a) and 12.3, Page 8, 14, 32</p>	Please refer to Clause 12.3 of Programme Agreement. Standard bid conditions prevail

	<p>Document Text: As per para 12.3 of the Programme Agreement, the Beneficiary Firm is required to obtain a certificate from the Independent Engineer regarding completion of each of the milestones stipulated in the Agreement.</p> <p>As per the definition in para 1.1, 'Milestone 1' prescribes certain conditions to be satisfied at the end of Year 2 and 'Milestone 2' prescribes certain conditions to be satisfied at the end of year 5 from the Appointed Date.</p> <p>Separately in para 12.3, it has been clarified that the Milestones referred to in this Clause 12.3 shall include the Investment specified in Clause 3.1(a) of the Agreement and the phased capacity fulfilment by the Beneficiary Firm, as specified in the Bid.</p> <p>Query: Will the government provide milestone certificates at each quarter based on the Beneficiary firm's investment and capacity commitments?</p>	
33.	<p>Document: Programme Agreement</p> <p>Clause: Definitions, 6.2.4 and 6.2.6, Page 8, 20</p> <p>Document Text: ““Milestone 1” shall mean the achievement by the Beneficiary Firm of: (a) Investment of INR 225,00,00,000 (Rupees two hundred and twenty-five crore) per GWh (excluding the cost of land) for the Committed Capacity specified by the bidder at the end of 2 (two) years from the Appointed Date; and (b) 25% (twenty-five per cent) Value Addition of the Advance Chemistry Cell, within 2 (two) years from the Appointed Date.”</p> <p>“The Beneficiary Firm shall ensure that it shall achieve not less than 25% (twenty-five) per cent Value Addition of the Advance Chemistry Cell and a minimum of INR 225,00,00,000 (Rupees two hundred and twenty-five crore) per GWh of Investment at the Mother Unit, within 2 (two) years from the Appointed Date. In the event that the Beneficiary Firm does not achieve the Value Addition and / or minimum Investment or Milestone 1 Completion Certificate within the stipulated period, and the delay has not occurred as a result of breach of this Agreement by the Government or due to Force Majeure, the Beneficiary Firm shall pay to the Government, liquidated</p>	Standard bid condition prevails.

	<p>damages in an amount calculated at the rate of 0.1% (zero point one per cent) of the Performance Security for each day's delay until the achievement of the above obligations.”</p> <p>Query: As per clause 6.2.6 the beneficiary firm has to achieve 25% value addition in 2 years. Also, as a requirement of Milestone 1 certificate, the value addition of 25% is to be achieved. However, value addition can be determined 3 months after operation of the plant. Kindly confirm if the first quarter of operations is excluded in the first two years of the installation period.</p>	
34.	<p>Document: Programme Agreement</p> <p>Clause: 8.2, Page 24</p> <p>Document Text: "If the Committed Capacity is 10 GWh, and the Beneficiary Firm achieves production / sale of 8 GWh, the Government shall deduct Subsidy payable for $2 * (10 - 8) = 4$ GWh. The Beneficiary Firm would, under such circumstance, be paid Subsidy for $(10 - 4) = 6$ GWh of capacity, notwithstanding commissioning of 8 GWh"</p> <p>Query: Considering seasonality of business, equipment downtime etc., we request, instead of quarterly evaluation of committed capacity, can the evaluation be conducted on an annual basis for penalty.</p>	Standard bid condition prevails.
35.	<p>Document: Programme Agreement</p> <p>Clause: 8.2 and 8.3, Page 24</p> <p>Document Text: If the Beneficiary Firm fails to achieve the Committed Capacity as specified in Schedule - M, the Government shall have the right to deduct from the Subsidy payable under Clause 11.1, 2 (two) times the Subsidy due and payable corresponding to the shortfall in the Committed Capacity.</p>	Please refer to Addendum – 1.

Query: Damages leviable for not achieving committed value addition can be carried forward to subsequent quarters (unless adjusted against subsidy receivable in the same quarter).

However, deduction due to shortfall in committed capacity cannot, it is suggested that the sequence of such adjustments to subsidy receivable should be clarified for a scenario where a Beneficiary Firm commits both the defaults in the same quarter.

36.

Document: RFP

Clause: 3.3.3, Page 29

Document Text: Technical specification matrix of Energy density & Cycle Life for qualification.

Table in the RFP document:

		Energy Density (Wh/Kg)				
		≥ 50	≥ 125	≥ 200	≥ 275	≥ 350
Cycle life	≥ 1000				A	A*1.2
	≥ 2000			A	A*1.2	A*(1.2 ²)
	≥ 4000		A	A*1.2	A*(1.2 ²)	A*(1.2 ³)
	≥ 10000	A	A*1.2	A*(1.2 ²)	A*(1.2 ³)	A*(1.2 ⁴)

Query: Please confirm the subsidy applicable will be computed basis the table defined in Clause 3.3.3

Table in the RFP document:

Standard bid condition prevails.

		Energy Density (Wh/Kg)				
		≥ 50	≥ 125	≥ 200	≥ 275	≥ 350
Cycle life	≥ 1000				A	A*1.2
	≥ 2000			A	A*1.2	A*(1.2^2)
	≥ 4000		A	A*1.2	A*(1.2^2)	A*(1.2^3)
	≥ 10000	A	A*1.2	A*(1.2^2)	A*(1.2^3)	A*(1.2^4)

37.	<p>Document: RFP</p> <p>Clause: 3.3.2, Page 29</p> <p>Document Text: “The Financial Bid shall comprise a Subsidy to be quoted by the Bidder in accordance with the provisions of the Programme Agreement. It is clarified that the amount of Subsidy quoted by the Bidder, shall be subject to a ceiling of INR 2000 (Rupees two thousand) per KWh. Any Bid that has quoted Subsidy over INR 2000 (Rupees two thousand) shall be rejected.”</p> <p>Query: Please clarify if the subsidy incentive indicated in the table be over the Rs 2000 cap. For example, if the base subsidy quoted is Rs 2000 and if the energy density is ≥350 with cycle life of ≥1000, then will the applicable subsidy amount to Rs 2400 (2000 x 1.2).</p>	An illustration has been provided in the Addendum-1.
38.	<p>Document: Programme Agreement</p> <p>Clause: 1.1 and 6.2.6 , Page 8 and 21</p> <p>Document Text: As per Clause 1.1 of the Agreement Milestone 1 has been defined to mean achievement by the Beneficiary Firm (within 2 years from the Appointed date) of: (a) Investment of INR 225,00,00,000 per GWh (excluding the cost of land) for the</p>	Please refer to Addendum -1.

	<p>Committed Capacity specified by the bidder; and (b) 25% Value Addition of the Advance Chemistry Cell</p> <p>In addition to the above, as per Clause 6.2.6 of the Agreement, if the Beneficiary Firm is not able to achieve Milestone 1 within the specified time limit, it should be liable to pay liquidated damages and such failure may also lead to termination of agreement after due notice.</p> <p>Query: For the investments required to be made within the specified time, please confirm if the investment made will be computed based on the bidder's capacity committed in the technical bid.</p> <p>For example, if a bidder commits for 10 GWh, the bidder invests 2250 Cr within year 2 of the appointed date.</p>	
39.	<p>Document: Programme Agreement</p> <p>Clause: 10.3, Page 28</p> <p>Document Text: “The Subsidy disbursement shall be provided for a period not exceeding 5 years from the date of issuance of Milestone 1 Completion Certificate and shall be disbursed on a quarterly basis. It is clarified that no subsidy shall be disbursed beyond the 7th anniversary of appointed date.”</p> <p>Query: In the Technical Bid, the committed capacity and value addition are indicated by the Bidder only till the 5th year.</p> <p>Please confirm that no penalty will be levied for shortfall in sale and or shortfall in value addition in the 6th year and 7th year.</p>	Please refer to Addendum – 1.
40.	<p>Document: Programme Agreement</p> <p>Clause: 13, Page 33</p>	Standard bid condition prevails.

	<p>Document Text: "...(c) Certified statements by its statutory auditor evidencing receipt of quantum and value of raw material, inputs, semi-finished goods, capital goods, and finished goods, along with the respective Tax credit, if applicable; (d) A certificate from its statutory auditor certifying the sales and capacity of manufactured goods/trading goods/scrap/ stock transfer and GST paid on the amount of sales reported in financial statements and GST returns;...."</p> <p>Query: At multiple places in the RFP as well as Programme Agreement, there has been emphasis on achieving certification from a Statutory Auditor. Please confirm if a certification from certified Chartered Account would suffice.</p>	
41.	<p>Document: Programme Agreement</p> <p>Clause: Schedule B & E, Page 49</p> <p>Document Text: As per Annex 1 to Schedule B ("Subsidy Determination Form"), the Value Addition to be considered for computing Subsidy should be lower of the following:</p> <p>(i) Percentage of Value Addition as per certificate for Value Addition in India, or (ii) Value Addition specified in the Technical Bid of the Beneficiary firm</p> <p>Whereas, as per clause 2 of Schedule E "Disbursement Mechanism", the Value Addition to be considered for computing the subsidy should be "Value Addition achieved during the period"</p> <p>Query: As in Schedule E, Clause 2, please consider the percentage of value addition for subsidy to be on actual terms against what is committed in the Subsidy determination form (Annex - I).</p>	Please refer to Addendum -1.
42.	<p>Document: Programme Agreement</p> <p>Clause: 4.2, Page 15</p>	Standard bid condition prevails.

	<p>Document Text: "The Beneficiary Firm may, upon providing the Performance Security to the Government in accordance with this Agreement, by notice require the Government to satisfy the Condition Precedent set forth in this Clause 4.2 within 120 (one hundred twenty) days of the notice"</p> <p>Query: Is there a prescribed format for this notice? What should be the contents of the said notice specified in Clause 4.2 read with Article 4 of the Agreement?</p>	
43.	<p>Document: RFP</p> <p>Clause: 2.3, Page 15</p> <p>Document Text: "... the application for such change is made no later than 15 (fifteen) days prior to the bid due date"</p> <p>Query: Since the Bidding Documents are to be submitted on the Bid Due Date, we believe that the application for change in the composition of Consortium ought to be permitted by the Government within 15 (fifteen) days of the Bid Due Date and not "15 (fifteen) days prior to the Bid Due Date" as mentioned in the RFP. Please confirm.</p>	Standard bid condition prevails.
44.	<p>Document: Programme Agreement</p> <p>Clause: 6.1.3, Page 20</p> <p>Document Text: "The Government agrees to disburse Subsidy, as specified in Schedule - B, to the Beneficiary Firm, in accordance with Clause 11.2."</p> <p>Query: In the event of a delay in disbursement of Subsidy by the Government, will the Beneficiary Firm be entitled to receive interest on such delayed disbursement?</p>	Standard bid condition prevails.
45.	<p>Document: Programme Agreement</p> <p>Clause: 6.2, 6.3 and 7.2, Page 21 and 22</p>	Please refer to Addendum – 1.

	<p>Document Text: As per clause 7.2.1, upon occurrence of Beneficiary Firm Event of Default, the Government shall be entitled to encash and appropriate Performance security. Beneficiary Firm Event of Default defined in Clause 16.1 inter alia includes</p> <p>As per clause 6.2 of the Agreement, with respect to Value Addition to be achieved at the end of 5 years from Appointed date, Beneficiary Firm Event of Default may inter alia be triggered if any of the following conditions are not satisfied:</p> <p>(i) Value Addition of 60% is not achieved within 5 years from the Appointed date. (Clause 6.2.4)</p> <p>(ii) Overall Value Addition is not achieved within 5 years from the Appointed date (Clause 6.2.7)</p> <p>In addition to the above, as per Clause 6.3 of the Agreement, Performance Security may also be appropriated if the Beneficiary Firm is not able to achieve 'Milestones' in accordance with the agreement which inter alia mandates to achieve 60% of Overall Value Addition within 5 years from Appointed date.</p> <p>Query: As per Clause 2.1, the Agreement shall remain valid for a period of 7 years from the Appointed Date. In the Technical Bid, the Committed Capacity and Value Addition are indicated only till 5 years from the Appointed Date. Please confirm that no penalty will be levied for shortfall in sale and / or shortfall in Value Addition in the 6th year and 7th year.</p>	
46.	<p>Document: RFP</p> <p>Clause: Appendix IV, Page 49</p> <p>Document Text: "Net Worth shall mean (Subscribed and Paid-up Equity + Reserves) less (Revaluation reserves + miscellaneous expenditure not written off + reserves not available for distribution to equity shareholders)."</p> <p>Query: We note the definition of net worth in the RFP – "Net Worth shall mean (Subscribed and Paid-up Equity + Reserves) less (Revaluation reserves +</p>	<p>Yes, securities premium shall be considered as part of Net Worth as it is part of Paid-up Equity.</p>

	<p>miscellaneous expenditure not written off + reserves not available for distribution to equity shareholders)".</p> <p>The securities premium account is not explicitly referenced in this definition.</p> <p>The standard understanding of 'net worth' under the Companies Act, 2013, which specifically includes share premium account ("Section 2(57) - "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;").</p> <p>Please confirm that security premium can be considered for calculation of net worth for this bid as per Companies Act 2013.</p>	
47.	<p>Document: Programme Agreement</p> <p>Clause: 16.1.1 (b) and 16.2.1, Page 39</p> <p>Document Text: As per clause 16.2 of Article 16 to the Programme Agreement, the Government may initiate termination of the Agreement in case the Event of Default is not remedied by the Beneficiary firm for continuance period of 60 days after receipt of default notice.</p> <p>At the same time, clause 16.1.1.(b) allows the Beneficiary Firm 120 days from the Event of Default to take curative measures.</p> <p>Query: Clarification is sought to understand the timeline within which the Government can initiate termination of the agreement in light of the quoted 2 clauses of the Programme Agreement.</p>	Please refer to Addendum - 1.

48.	<p>Document: Programme Agreement</p> <p>Clause: 7.3, Page 23</p> <p>Document Text: “The Performance Security shall remain in force and effect till the Term of this Agreement and shall be returned to the Beneficiary Firm thereafter.”</p> <p>Query: Revolving performance security which can be renewed every year should be allowed.</p>	Standard bid condition prevails.
49.	<p>Document: Programme Agreement</p> <p>Clause: 7.3, Page 23</p> <p>Document Text: “The Performance Security shall remain in force and effect till the Term of this Agreement and shall be returned to the Beneficiary Firm thereafter.”</p> <p>Query: We request performance security be released on a pro-rata basis over the incentive period.</p> <p>For example: 20% performance will be released after successful completion of 1 year of incentive period</p>	Standard bid condition prevails.
50.	<p>Document: Programme Agreement</p> <p>Clause: 7.2.1, Page 23</p> <p>Document Text: “Upon occurrence of Beneficiary Firm Event of Default, the Government shall, without prejudice to its other rights and remedies hereunder or under Applicable Law, be entitled to encash and appropriate from the Performance Security the amounts due to it for and in respect of such Beneficiary Firm Event of Default.”</p>	Standard bid condition prevails.

	<p>Query: In the case of shortfall, the liquidation of performance security should be proportionate to the shortfall.</p>	
51.	<p>Document: RFP</p> <p>Clause: 1.2.1, Page 7</p> <p>Document Text: The Subsidy disbursement shall commence once the proposed Committed Capacity and Value Addition is achieved, and sale of the Advance Chemistry Cell begins. It shall be phased-out over a 5 (five) year window, payable quarterly, in accordance with the terms of the Programme Agreement.</p> <p>Query: As per this clause subsidy disbursement will not commence until complete capacity is achieved. Subsidy shall commence based on the phasing committed. Please correct the definition of committed capacity.</p>	<p>Standard bid condition prevails.</p>
52.	<p>Document: RFP</p> <p>Clause: 1.2.1, Page 7</p> <p>Document Text: For the purposes of evaluation, in case of a Consortium, only the qualification criteria specified in Clause 2.2.3 of the Lead Member (as defined hereinafter) shall be considered.....</p> <p>Query: We understand that only Financial Criteria are to be met with regards to eligible qualification criteria. Kindly confirm.</p>	<p>Standard bid condition prevails.</p>
53.	<p>Document: RFP</p> <p>Clause: 2.2.1 (d), Page 10</p> <p>Document Text: A Bidder shall be liable for disqualification if any legal, financial, or technical adviser of the Government in relation to the Project is engaged by the Bidder</p>	<p>Legal Advisor: Khaitan & Co</p> <p>Financial Advisor: PricewaterhouseCoopers Private Limited</p>

	<p>or its Member or any Associate thereof, in any manner for matters related to or incidental to the Project.....</p> <p>Query: Please provide the list of legal, financial, or technical advisors of government in relation to the project.</p>	<p>Technical Advisor: Deloitte Touche Tohmatsu India LLP.</p> <p>The bidders may appoint the aforesaid consultants for advisory services other than the consultants' scope in respect of advising the Government.</p>
54.	<p>Document: RFP</p> <p>Clause: 2.2.4 (iii), Page 12</p> <p>Document Text:as may be amended from time to time), as applicable ("ACI"). In case of an AIF or Foreign Investment Fund using ACI, ACI would be considered as per the certificate issued by statutory auditor....</p> <p>Query: Please define ACI.</p>	<p>Standard bid condition prevails.</p>
55.	<p>Document: RFP</p> <p>Clause: 2.6.2, Page 16</p> <p>Document Text: The Government reserves the right to reject any Bid and appropriate the Bid Security if:</p> <p>(a) at any time, a material misrepresentation is made or uncovered, or (b) the Bidder does not provide, within the time specified by the Government, the supplemental information sought by the Government for evaluation of the Bid.</p> <p>If the Bidder is a Consortium, then the entire Consortium may be disqualified/ rejected, at the sole discretion of the Government.</p>	<p>Standard bid condition prevails.</p>

	<p>Query: The condition as specified under Point No. (b) regarding appropriation of Bid Security if bidder fails to provide the supplemental information sought for evaluation of the Bid, is very stringent.</p> <p>We therefore request the Government to delete the provision of appropriation of Bid Security for Point No. (b).</p>	
56.	<p>Document: RFP</p> <p>Clause: 2.7.2, Page 17</p> <p>Document Text: By submitting the Bid, the Bidder shall also be deemed to have acknowledged and agreed that in the event of a change in control of the Lead Member whose credentials were taken into consideration for the purposes of short-listing under and in accordance with this RFP, the Bidder shall be deemed to have knowledge of the same and shall be required to inform the Government forthwith along with all relevant particulars about the same and the Government may, in its sole discretion, disqualify the Bidder. In the event such change in control occurs after signing of the Programme Agreement, it would, notwithstanding anything to the contrary contained in the Programme Agreement, be deemed to be a breach of the Programme Agreement, and the same shall be liable to be terminated without the Government being liable in any manner whatsoever to the SPV.....</p> <p>Query: We understand that since only the Lead Member qualification is taken into consideration, as per Clause No. 1.2.1, so long as there is no change in the control of a Lead Member, this clause is not applicable. Kindly confirm.</p>	Standard bid condition prevails.
57.	<p>Document: RFP</p> <p>Clause: 2.23.6, Page 23</p> <p>Document Text: The Bid Security shall be forfeited as damages without prejudice to any other right or remedy that may be available to the Government under the Bidding Documents and/ or under the Programme Agreement, or otherwise, if:</p>	Standard bid condition prevails.

	<p>(a) a Bidder submits a non-responsive Bid;</p> <p>(b) a Bidder engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice as specified in Clause 4 of this RFP;</p> <p>(c) a Bidder withdraws its Bid during the period of validity as specified in this RFP and as extended by mutual consent of the respective Bidder(s) and the Government;</p> <p>(d) the Selected Bidder fails within the specified time limit:</p> <ol style="list-style-type: none"> i. to sign and return the duplicate copy of the LOA; or ii. to sign the Programme Agreement; or iii. to furnish the Performance Security within the period prescribed therefor in the Programme Agreement; or <p>(e) the Selected Bidder, having signed the Programme Agreement, commits any breach thereof prior to furnishing the Performance Security.</p> <p>Query: In line with standard industry practice, we request the Government to only disqualify the Bidder submitting the non-responsive bid without forfeiture of Bid Security. We, therefore, request deletion of Point No. (a).</p> <p>Further, kindly clarify what construes as a “breach”, after signing the Programme Agreement and prior to furnishing the Performance Security as specified under Point No. (e).</p>	
58.	<p>Document: RFP</p> <p>Clause: 3.1.1, Page 27</p> <p>Document Text: This Net Worth criterion is to be adopted and approved by the board of directors and shareholders of the Bidder.</p> <p>Query: We understand that the audited financial statements along with statutory auditors are required to be submitted against this requirement. Kindly confirm.</p>	Standard bid condition prevails.

59.	<p>Document: RFP</p> <p>Clause: 3.2.1, Page 27</p> <p>Document Text: Only those Bidders who commit Value Addition of at least 25% (twenty-five percent) within 2 (two) years from the Appointed Date and minimum 60% (sixty percent) Value Addition within 5 (five) years from the Appointed Date, and installation of ACC manufacturing capacity between 5 GWh to 20 GWh, within 5 (five) years from the Appointed Date, shall qualify for further consideration and shall be ranked from highest to the lowest based on their technical score (ST).</p> <p>Query: Please clarify whether, bidder should commit the capacity and value addition in Q4 of year 2 or Q1 of year 3 as per illustrative example of 3.2.2 (page 28 of 83).</p>	Standard bid condition prevails.
60.	<p>Document: RFP</p> <p>Clause: Appendix - XIII, Page 80</p> <p>Document Text: Whereas, the Bidder namely (name of the Bidder with address) has submitted a Bid under the National Programme on Advance Chemistry Cell Battery Storage (“Programme”) to Ministry of Heavy Industries, Government of India (“Government”) seeking Subsidy for manufacturing Advance Chemistry Cell at.....(location(s)).</p> <p>Query: Since the location is not finalized at this stage, we request the Government to waive-off the requirement for specifying the same in the Integrity Pact.</p>	Please refer to Addendum – 1.
61.	<p>Document: Programme Agreement</p> <p>Clause: Definitions, Page 7</p> <p>Document Text: “Investment” shall mean.</p>	Standard bid condition prevails.

	<p>Query: Expenditures shall also include commitments made through purchase orders irrespective of cash flow terms.</p>	
62	<p>Document: Programme Agreement</p> <p>Clause: Definitions, Page 8</p> <p>Document Text: Milestone 1: (a) Investment of INR 225,00,00,000 (Rupees two hundred and twenty-five crore) per GWh (excluding the cost of land) for the Committed Capacity specified by the bidder at the end of 2 (two) years from the Appointed Date; and (b) 25% (twenty-five per cent) Value Addition of the Advance Chemistry Cell, within 2 (two) years from the Appointed Date.</p> <p>Query: As per the definition of the Committed Capacity, milestone 1 requires investment of 225 crores /GWh for allotted capacity. However, the investment will depend on the phasing of the capacity and hence the investment commitment shall be limited to the capacity quoted by the bidder in the third year. Practically complete capacity investment is not possible within 2 years.</p>	Please refer to Addendum – 1.
63.	<p>Document: Programme Agreement</p> <p>Clause: 8.2, Page 24</p> <p>Document Text: If the Beneficiary Firm fails to achieve the Committed Capacity as specified in Schedule - M, the Government shall have the right to deduct from the Subsidy payable under Clause 11.1, 2 (two) times the Subsidy due and payable corresponding to the shortfall in the Committed Capacity.</p> <p>Query: The subsidy should be deducted on the in case of shortfall in achieving the Committed Capacity and should not be on the production/sales. Illustrative example is not reflecting as the given definition.</p>	Please refer to Addendum – 1.

64.	<p>Document: Programme Agreement</p> <p>Clause: 11.9.2, Page 30</p> <p>Document Text: The Parties agree that until the results of the complete cycle life test set forth in Schedule – D is determined, the Subsidy disbursed to the Beneficiary Firm shall be determined by the partial cycle life test in accordance with Schedule – D.</p> <p>Query: Considering 2000 cycle (50%) for partial cycle life test, which takes around ~15 months, due to which the subsidy disbursement gets delayed until the results are achieved. Hence the disbursement of provisional subsidy will be based on manufacturers product specification till final test results.</p>	Please refer Clause: 11.9.2, Page 30. Standard bid condition prevails.
65.	<p>Document: Programme Agreement</p> <p>Clause: 11.8 and Schedule G, Page 30 and 74</p> <p>Document Text: Notwithstanding anything contained herein, the cumulative Subsidy payable by the Government to the Beneficiary Firm during the Term of this Agreement, shall not exceed INR 362,00,00,000 (Rupees three hundred and sixty-two crore) per GWh,</p> <p>and</p> <p>ACC Eligibility matrix.</p> <p>Query: The subsidy cap of INR 362 Crore/ GWh is grossly inadequate to claim subsidy even in case of capacity and value addition meeting minimum milestone commitments. The performance matrix indicating higher subsidy for higher cell performance does not yield any higher incentive even if the cell performance falls in A*1.2 or higher categories.</p>	Standard bid condition prevails

	<p>Example: for a capacity of 5 GWh (3+2 in yr. 3 and 4), and value addition of 60% (30%,45%,60% - in yr. 3 to 5) total subsidy at INR 2000/kWh is INR 1860 crore, however due to the cap subsidy is limited to INR 1810 crore at qualifying cell performance.</p>	
66.	<p>Document: Programme Agreement</p> <p>Clause: 15.1, Page 38</p> <p>Document Text: No compensation: If as a result of Change in Law, the Beneficiary Firm suffers an increase in costs or reduction in net after-Tax return or other financial burden or benefits from a reduction in costs or increase in net after-Tax return or other financial gains, neither Party shall be liable for any compensation payable to the other Party. It is expressly agreed and clarified that the Parties shall bear their respective increase or decrease in costs arising from Change in Law without any liability towards or remedy against the other Party.</p> <p>Query: Suitable compensation should be granted to the bidder to the extent of adverse impact in terms of financial compensation and extension in timelines.</p>	Standard bid condition prevails.
67.	<p>Document: Programme Agreement</p> <p>Clause: Schedule – G, Page 67</p> <p>Document Text: Fixed amount per kilowatt hour X (multiplied) Percentage of Value Addition achieved during the period X (multiplied) Actual production of Advance Chemistry Cell sold (in KWh).</p> <p>Query: As per the subsidy determinant form the formula is not in line with the clause. Please clarify.</p> <p>Annex – I Subsidy Determination Form:</p>	Please refer to Addendum – 1.

	Percentage of Value Addition (as per certificate for Value Addition in India), or the Value Addition specified in the technical bid of the Beneficiary Firm, whichever is lower.	
68.	<p>Document: Programme Agreement</p> <p>Clause: 4.3, Page 15</p> <p>Document Text: The Conditions Precedent to be fulfilled by the Beneficiary Firm within the time specified below or where no time period is specified, within 120 (one hundred twenty) days from the Execution Date shall be deemed to have been fulfilled when Beneficiary Firm shall have:</p> <p>(a) executed the Tripartite Agreement with the Government and the relevant state government;</p> <p>(b) provided the Performance Security within 30 (thirty) days; and</p> <p>(c) provided a Construction Plan within 90 (ninety) days.</p> <p>Query: We request the Government to list all necessary documentation needed, if any, to be submitted by the Beneficiary Firm along with the Construction Plan, as required under point No. (c) in the stated provision.</p>	Please refer to Schedule K of the Programme Agreement. Standard bid condition prevails.
69.	<p>Document: Programme Agreement</p> <p>Clause: 4.7, Page 16</p> <p>Document Text: Damages for delay by the Government</p> <p>In the event that (i) the Government does not procure fulfilment or waiver of the Conditions Precedent set forth in Clause 4.2 within the period specified in respect thereof, and (ii) the delay has not occurred as a result of breach of this Agreement by the Beneficiary Firm or due to Force Majeure, the Term of this Agreement shall be extended for a day-to-day basis till the Government satisfies such Condition Precedent. It is expressly clarified and agreed that the Government shall not be liable</p>	Standard bid condition prevails.

	<p>for payment of any liquidated damages for delay in fulfilling its Conditions Precedent set forth in Clause 4.2.</p> <p>Query: In order to make the provision equitable, we request the Government to pay liquidated damages to the Beneficiary Firm in the event of delay by the Government in meeting its Conditions Precedent, on similar lines as applicable for the Beneficiary Firm under Cl No. 4.8 of Programme Agreement.</p>	
70.	<p>Document: Programme Agreement</p> <p>Clause: 4.8, Page 16</p> <p>Document Text: Damages for delay by the Beneficiary Firm</p> <p>In the event that (i) the Beneficiary Firm does not procure fulfilment or waiver of any or all of the Conditions Precedent set forth in Clause 4.3 within the period specified in that Clause, and (ii) the delay has not occurred as a result of breach of this Agreement by the Government or due to Force Majeure, the Beneficiary Firm shall pay to the Government, liquidated damages in an amount calculated at the rate of 0.1% (zero point one per cent) of the Performance Security for each day's delay until the fulfilment or waiver of such Conditions Precedent, subject to a maximum amount equal to the Bid Security, and upon reaching such maximum amount, the Government, in its sole discretion and subject to the provisions of Clause 7.2, shall additionally have the right to terminate the Agreement. Provided that in the event of delay by the Government in procuring fulfilment or waiver of the Conditions Precedent specified in Clause 4.2, no liquidated damages shall be due or payable by the Beneficiary Firm under this Clause 4.8 until the date on which the Government shall have procured fulfilment or waiver of the Conditions Precedent specified in Clause 4.2.</p> <p>Query: In order to make the provision equitable, we request the Government to pay liquidated damages to the Beneficiary Firm in the event of delay by the Government in meeting its Conditions Precedent, on similar lines as applicable for the Beneficiary Firm under Cl No. 4.8 of Programme Agreement.</p>	Standard bid condition prevails.

71.	<p>Document: Programme Agreement</p> <p>Clause: 7.2.1 and 7.2.2, Page 22</p> <p>Document Text: Upon occurrence of Beneficiary Firm Event of Default, the Government shall, without prejudice to its other rights and remedies hereunder or under Applicable Law, be entitled to encash and appropriate from the Performance Security the amounts due to it for and in respect of such Beneficiary Firm Event of Default.</p> <p>Upon such encashment and appropriation from the Performance Security, the Beneficiary Firm shall, within 15 (fifteen) days thereof, replenish, in case of partial appropriation, to its original level the Performance Security, and in case of appropriation of the entire Performance Security provide a fresh Performance Security, as the case may be, and the Beneficiary Firm shall, within the time so granted, replenish or furnish fresh Performance Security as aforesaid, failing which the Government shall be entitled to terminate this Agreement. Upon such replenishment or furnishing of a fresh Performance Security, as the case may be, the Beneficiary Firm shall be entitled to an additional cure period of 90 (ninety) days for remedying the Beneficiary Firm Event of Default or for satisfying any Conditions Precedent, and in the event of the Beneficiary Firm not curing its default within such cure period, the Government shall be entitled to encash and appropriate such Performance Security as damages and terminate this Agreement.</p> <p>Query: Rate at which the Performance Security will be appropriated for any Beneficiary Firm Event of Default, as per Clause-16.1, is not specified. We request the Government to specify the same.</p> <p>Further, in case of encashment of Performance Security, partial or full, the requirement of replenishment or replacement of the same to its original level is very stringent. We request the Government to waive off such requirement of replenishment or replacement of Performance Security.</p>	Standard bid condition prevails.
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72.	<p>Document: Programme Agreement</p> <p>Clause: 8.2, 8.3 and 8.4, Page 24</p> <p>Document Text: Committed Capacity</p> <p>If the Beneficiary Firm fails to achieve the Committed Capacity as specified in Schedule - M, the Government shall have the right to deduct from the Subsidy payable under Clause 11.1, 2 (two) times the Subsidy due and payable corresponding to the shortfall in the Committed Capacity.....</p> <p>Committed Value Addition</p> <p>If the Beneficiary Firm fails to achieve the Committed Value Addition as specified in Schedule - M, the Damages shall be estimated by determining the deficit in the Committed Value Addition and the actual Value Addition achieved. This deficit shall be deducted from the Subsidy for the quarter where any such shortfall has been determined.....</p> <p>The Parties agree that in case the Beneficiary Firm fails to achieve the Milestone as mentioned under Clause 8.1 and/or the Value Addition as submitted by the selected bidder in the Bid; and the Government deducts Damages pursuant to this Article 8 for 6 (six) consecutive quarters, the Government shall have the right to discontinue payment of any Subsidy and appropriate the Performance Security and the same shall amount to Beneficiary Firm Event of Default.</p> <p>Query: We request Government to deduct the Subsidy due and payable limited only to the shortfall from the Committed Capacity.</p>	Standard bid condition prevails.
73.	<p>Document: Programme Agreement</p> <p>Clause: 14.1, Page 34</p>	Standard bid condition prevails.

	<p>Document Text: As used in this Agreement, the expression “Force Majeure” or “Force Majeure Event” shall mean, save and except as expressly provided otherwise, occurrence in India of any or all of events, set out in Clause 14.2.....</p> <p>Query: We request the Government to consider any Force Majeure Event outside India which directly affects the obligations of either Party under the Programme Agreement.</p>	
74.	<p>Document: Programme Agreement</p> <p>Clause: 16.1, Page 39</p> <p>Document Text: The occurrence of any of the following events would constitute an event of default on the part of the Beneficiary Firm (“Beneficiary Firm Event of Default”), unless such an event occurs due to Force Majeure Event:</p> <p>(a)</p> <p>(b) the Performance Security or any part thereof has been encashed and appropriated in accordance with Clause 7.2 and the Beneficiary Firm fails to replenish or provide fresh Performance Security within 15 (fifteen) days, or subsequent to the replenishment or furnishing of fresh Performance Security in accordance with Clause 7.2, the Beneficiary Firm fails to cure, within a cure period of 120 (one hundred and twenty) days, the Beneficiary Firm Event of Default for which whole or part of the Performance Security was appropriated;</p> <p>(c)</p> <p>(d)</p> <p>(e) breach of any other obligations under this Agreement.</p> <p>Query: The specific defaults, as mentioned under point No. (b), are not specified in Clause 7.2. We. Therefore, request the Government to delete point No. (b).</p> <p>Point No. (e) is an open-ended provision. We, therefore, request the Government to delete the same.</p>	Standard bid condition prevails.

75.	<p>Document: Programme Agreement</p> <p>Clause: 17.3, Page 40</p> <p>Document Text: Resolution of Dispute by the Court</p> <p>In the event the Dispute is not amicably settled within 15 (fifteen) days of the meeting of the authorised representative of each Party or the Dispute is not resolved as evidenced by the signing of written terms of settlement within 30 (thirty) days of the notice in writing referred to in Clause 17.1 or such longer period as may be mutually agreed by the Parties, then such Dispute shall be exclusively resolved by the courts at New Delhi.</p> <p>Query: As per standard industry practice, we request the Government to delete this Clause No. 17.3 regarding resolution of dispute exclusively by the courts at New Delhi, and instead introduce the provision of settlement of dispute through arbitration as per “Arbitration and Conciliation Act, 1996” and any amendments thereof.</p>	Standard bid condition prevails.
76.	<p>Document: Tripartite Agreement</p> <p>Clause: 10.2, Page 9</p> <p>Document Text: Any and all claims, dispute, difference or controversy between the Parties of whatever nature, arising out of, or in connection with, or in relation to this Tripartite Agreement, which is not resolved amicably within 90 (ninety) days of receipt of notice of such dispute, difference or controversy from a Party/ Parties by the remaining Party/ Parties in the first instance, shall be exclusively resolved by the courts at New Delhi.</p> <p>Query: As per standard industry practice, we request the Government to delete this Clause No. 10.2 regarding resolution of dispute exclusively by the courts at New Delhi, and instead introduce the provision of settlement of dispute through</p>	Standard bid condition prevails.

	arbitration as per “Arbitration and Conciliation Act, 1996” and any amendments thereof.	
77.	<p>General</p> <p>Query: We understand that the Tender Reference Number (and not the Tender ID) provided under Tender Notice dated 22-Oct-2021 should be considered as official Tender/RFP No. for the purpose of issuance of documents/certificates for the subject RFP.</p> <p>Kindly confirm.</p>	Tender Ref. No. 01(05)/2019-AE (19587) dated 22 nd October 2021; Tender ID 2021_DFIN_653843_1
78.	<p>Document: RFP</p> <p>Clause: 3.4.2, Page 26</p> <p>Document Text: The Bidders shall be ranked on the basis of their Bids and the Advance Chemistry Cell capacities shall be allocated in order of their ranking, with the Bidder ranked 1st (first) being allocated the capacity first, followed by the Bidder ranked 2nd (Second), so on and so forth till a cumulative capacity of 50 (fifty) GWh per year has been allocated. Such allocation shall be subject to a minimum allocation of 5 (five) GWh and a maximum cumulative allocation of 20 (twenty) GWh to a single Bidder, in blocks of 1 (one) GWh</p> <p>Query: Bidder requests to add following to the clause :</p> <p>“Eligible bidders that are not successful in securing allocation in the 50 (fifty) GWh cumulative capacity shall be placed under Waiting List in the order of ranking. In case of additional outlay being allocated for this PLI scheme and/ or Bidder(s) that are allocated capacity withdraws before the Appointed Date, the available capacity shall be allocated to the bidders in the Waiting List”</p>	Please refer to Addendum – 1.
79.	Document: Programme Agreement	Standard bid condition prevails.

	<p>Clause: 1.1, Page 8</p> <p>Document Text: “Milestone 2” shall mean the completion of 60% (sixty per cent) of the overall Value Addition, within 5 (five) years from the Appointed Date.</p> <p>Query: Achievement of “Milestone 2” by the Beneficiary Firm shall largely depend on the development of stable, reliable and adequate supply chain being developed in India. Though we are confident of the efforts being put in by the Government in this regard, it may be difficult to meet the stipulated 60% value addition criteria in the specified timelines due to the following :</p> <ol style="list-style-type: none"> 1. Availability of quality materials from domestic suppliers 2. Availability of sufficient quantity to cater to 50 GWh of domestic cell manufacturing 3. Key metals and minerals have to be imported to India. Abnormal volatility and increase in prices of the commodities have been observed in recent times. In such a scenario, the domestic value addition (in percentage terms) will definitely reduce despite the Beneficiary Firm sourcing it from prospective domestic suppliers. <p>In view of the above, Bidder requests to delete the minimum value addition criteria of 60% from “Milestone 2”. Bidder shall instead commit value addition in the Technical Bid as per its market overview and forecast, without any minimum criterion. Penalties may be levied in case the Bidder does not achieve the value addition as committed in the Technical Bid.</p> <p>Bidder requests to kindly consider the above request and delete the minimum 60% value addition criteria from the RFP and Programme Agreement.</p>	
80.	<p>Document: Programme Agreement</p> <p>Clause: 6.2.7, Page 21</p> <p>Document Text: The Beneficiary Firm agrees that it shall achieve the Committed Capacity and overall Value Addition at the Mother Unit level within 5 (five) years from the Appointed Date. In the event that the Beneficiary Firm does not achieve the Committed Capacity and overall Value Addition at the Mother Unit level within the</p>	Standard bid condition prevails.

	<p>stipulated time period, and the delay has not occurred as a result of breach of this Agreement by the Government or due to Force Majeure, the Beneficiary Firm shall pay to the Government, liquidated damages in an amount calculated at the rate of 0.1% (zero point one per cent) of the Performance Security for each day's delay until the achievement of the aforementioned obligations.</p> <p>Query: Achievement of "Milestone 2" by the Beneficiary Firm shall largely depend on the development of stable, reliable and adequate supply chain being developed in India. Though we are confident of the efforts being put in by the Government in this regard, it may be difficult to meet the stipulated 60% value addition criteria in the specified timelines due to the following :</p> <ol style="list-style-type: none"> 1. Availability of quality materials from domestic suppliers 2. Availability of sufficient quantity to cater to 50 GWh of domestic cell manufacturing 3. Key metals and minerals have to be imported to India. Abnormal volatility and increase in prices of the commodities have been observed in recent times. In such a scenario, the domestic value addition (in percentage terms) will definitely reduce despite the Beneficiary Firm sourcing it from prospective domestic suppliers. <p>In view of the above, Bidder requests to delete the minimum value addition criteria of 60% from "Milestone 2". Bidder shall instead commit value addition in the Technical Bid as per its market overview and forecast, without any minimum criterion. Penalties may be levied in case the Bidder does not achieve the value addition as committed in the Technical Bid.</p> <p>Bidder requests to kindly consider the above request and delete the minimum 60% value addition criteria from the RFP and Programme Agreement.</p>	
81.	<p>Document: Programme Agreement</p> <p>Clause: 8.3, Page 24</p> <p>Document Text: If the Beneficiary Firm fails to achieve the Committed Value Addition as specified in Schedule - M, the Damages shall be estimated by determining the</p>	Standard bid condition prevails.

	<p>deficit in the Committed Value Addition and the actual Value Addition achieved. This deficit shall be deducted from the Subsidy for the quarter where any such shortfall has been determined. If the deficit is not fulfilled within the immediately subsequent quarter, such Damages may be carried forward to subsequent quarters, until the deficit is adjusted.</p> <p>Query: Bidder understands that the Damages towards Committed Value Addition shall be applicable only after Milestone-1 is achieved by the Beneficiary Firm and shall not be accrued prior to achievement of Milestone-1. Kindly confirm.</p>	
82.	<p>Document: Programme Agreement</p> <p>Clause: 11.5, Page 29</p> <p>Document Text: The Beneficiary Firm agrees that the Subsidy extended by the Government shall be phased down. The Government shall phase the Subsidy by way of a year-on-year reduction for the Term of the Project. Year wise fixed phasing of base Subsidy (benchmark amount) as quoted by the Beneficiary Firm shall be as follows:</p> <p>Query: Considering a scenario wherein the Bidder can achieve Appointed date at start of Year-2, Bidder understands that reduction factors from Year-2 to Year-6 shall be applicable. However, as per Clause 11.8 Cumulative subsidy payable shall not exceed INR 362 crores per GWh. Thus, no incentive is available for Bidder to operationalize early. Hence, request to delete the ceiling of INR 362 crores per GWh.</p>	Standard bid condition prevails.
83.	<p>Document: Programme Agreement</p> <p>Clause: 11.5, Page 30</p> <p>Document Text: Notwithstanding anything contained herein, the cumulative Subsidy payable by the Government to the Beneficiary Firm during the Term of this Agreement, shall not exceed INR 362,00,00,000 (Rupees three hundred and sixty-two crore) per GWh.</p>	Standard bid condition prevails.

	<p>Query: Considering a scenario wherein the Bidder can achieve Appointed date at start of Year-2, Bidder understands that reduction factors from Year-2 to Year-6 shall be applicable. However, as per Clause 11.8 Cumulative subsidy payable shall not exceed INR 362 crores per GWh. Thus, no incentive is available for Bidder to operationalize early. Hence, request to delete the ceiling of INR 362 crores per GWh.</p>	
84.	<p>Document: Programme Agreement</p> <p>Clause: 8.2, Page 24</p> <p>Document Text: If the Beneficiary Firm fails to achieve the Committed Capacity as specified in Schedule - M, the Government shall have the right to deduct from the Subsidy payable under Clause 11.1, 2 (two) times the Subsidy due and payable corresponding to the shortfall in the Committed Capacity.</p> <p>Query: Considering an illustration where Beneficiary Firm has specified Committed Capacity of 5 GWh, however actual capacity installation achieved is 2 GWh. As per the provisions of clause 8.2, Government shall deduct subsidy payable for $2*(5-2) = 6$ GWh. 6 GWh is higher than the proposed subsidy to be paid for the Committed Capacity i.e. 5 GWh.</p> <p>Bidder understands that the maximum liability and deduction under the clause 8.2 shall be equivalent to the amount of Subsidy payable.</p>	Standard bid condition prevails.
85.	<p>Document: RFP</p> <p>Clause: Appendix – 1 (Annex – 1), Page 38</p> <p>Document Text: 24. I/ We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Government in connection with the selection of Bidders, selection of the Bidder, or in connection with the selection/ Bidding Process itself, in respect of the above-mentioned Project and the terms and implementation thereof.</p>	Standard bid condition prevails.

	<p>Query: The aforesaid clause is not equitable in nature and take out the natural rights of any bidder. We request Government to delete the clause.</p>	
86.	<p>Document: Programme Agreement</p> <p>Clause: Definitions, Page 7</p> <p>Document Text: “Investment”</p> <p>It is expressly clarified that Investment shall, for the purpose of the Programme Agreement, be limited to expenditure incurred by the Beneficiary Firm in respect of the Mother Unit on and from the Appointed Date.</p> <p>Query: We understand, the Selected Bidder is likely to incur some expenditure in connection with the implementation of the Project between the date of LOA and the Appointed Date. In view of this, we request the Government to modify the referred provision as follows:</p> <p>“It is expressly clarified that Investment shall, for the purpose of the Programme Agreement, be limited to expenditure incurred by the Beneficiary Firm in respect of the Mother Unit on and from the Appointed Date <u>date of LOA or formation of SPV, whichever is earlier.</u>”</p>	<p>Standard bid condition prevails.</p>
87.	<p>Document: Programme Agreement</p> <p>Clause: 6.3, Page 21</p> <p>Document Text: The Parties agree that failure of Beneficiary Firm to achieve the Milestones in accordance with the provisions of this Agreement will entitle the Government to levy Damages, and the Government shall have the right including but not limited to: (a) forfeiture of the entire incentive, in which case the Beneficiary Firm</p>	<p>Incentives are referred to subsidy here.</p> <p>Standard bid condition prevails.</p>

	<p>shall not be entitled to receive any further amounts in the form of Subsidy; and (b) appropriation of the Performance Security.</p> <p>Query: Bidder understands that the basis of forfeiture of incentive as well as appropriation of Performance Security would be limited to the penalties prescribed in provisions of clause 6.2.6, 6.2.7 and 8.4 with regards to non-achievement of specified Milestones (Milestone 1 & Milestone 2). Kindly confirm our understanding.</p>	
88.	<p>Document: Programme Agreement</p> <p>Clause: 8.2, Page 24</p> <p>Document Text: If the Beneficiary Firm fails to achieve the Committed Capacity as specified in Schedule - M, the Government shall have the right to deduct from the Subsidy payable under Clause 11.1, 2 (two) times the Subsidy due and payable corresponding to the shortfall in the Committed Capacity.</p> <p>Query: Deduction of Subsidy amount equivalent to 2 (two) times the Subsidy due and payable is excessive and unjust. In view if the above, we request the Government to modify the referred provision as follows:</p> <p>If the Beneficiary Firm fails to achieve the Committed Capacity as specified in Schedule - M, the Government shall have the right to deduct - the Subsidy payable under Clause 11.1, 2 (two) times the Subsidy due and payable corresponding to the shortfall in the Committed Capacity.</p>	Standard bid condition prevails.
89.	<p>Document: RFP</p> <p>Clause: 2.2.1, Page 10</p> <p>Document Text: ... (v) such Bidder or any Associate thereof, has a relationship with another Bidder or any Associate thereof, directly or indirectly or through a common third party/ parties, that puts either or both of them in a position to have access to each other's information, or to influence the Bid of either or each other; or...</p>	Standard bid condition prevails.

	<p>Query: It may be difficult for the Bidder to have control over third party/ parties to not have indirect relationship with other Bidder(s). Hence, request you to delete the provision.</p>	
90.	<p>Document: RFP</p> <p>Clause: 2.30.2, Page 26</p> <p>Document Text: In the event that 2(two) or more Bidders achieve the same score, (the "Tie Bidders"), the Government shall identify the Selected Bidder by draw of lots which shall be conducted, with prior notice, in the presence of the Tie Bidders who choose to attend. For the avoidance of doubt, it is clarified that if sufficient capacity is available for bidding, then such capacity shall be allotted to the Tie Bidders, pro-rated in the ratio of their respective Bids and in such case, there will be no requirement of draw of lots.</p> <p>Query: Bidder understands that in case of Tie and sufficient capacity being available for bidding, both the Tie Bidders shall be allocated the capacity as bid by them in their respective Technical Bids. Kindly confirm.</p>	<p>Please refer to clause 2.30.2.</p> <p>Standard bid condition prevails.</p>
91.	<p>Document: Programme Agreement</p> <p>Clause: 1.1, Page 7</p> <p>Document Text: It is expressly clarified that Investment shall, for the purpose of the Programme Agreement, be limited to expenditure incurred by the Beneficiary Firm in respect of the Mother Unit on and from the Appointed Date.</p> <p>Query: Bidder understands that existing land and infrastructure facilities available with the Bidder can be utilized for the Project. Kindly confirm</p>	<p>Standard bid condition prevails.</p>
92.	<p>Document: Programme Agreement</p>	<p>Please refer to Addendum – 1</p>

	<p>Clause: 6.2.4, Page 20</p> <p>Document Text: The Beneficiary Firm shall achieve completion of the Committed Capacity within 2 (two) years from the Appointed Date.</p> <p>Query: Bidder understands that the Allocated capacity for the Project shall be required to be achieved within Five years from the Appointed Date, as per the capacity phasing submitted in the Technical Bid. Hence, request you to modify the clause as below :</p> <p>“The Beneficiary Firm shall achieve completion of the Committed Capacity <u>as per Technical Bid</u> within 2 (two) years from the Appointed Date.”</p>	
93.	<p>Document: Programme Agreement</p> <p>Clause: 6.2.6, Page 21</p> <p>Document Text: The Beneficiary Firm shall ensure that it shall achieve not less than 25% (twenty-five) per cent Value Addition of the Advance Chemistry Cell and a minimum of INR 225,00,00,000 (Rupees two hundred and twenty-five crore) per GWh of Investment at the Mother Unit, within 2 (two) years from the Appointed Date. In the event that the Beneficiary Firm does not achieve the Value Addition and / or minimum Investment or Milestone 1 Completion Certificate within the stipulated period, and the delay has not occurred as a result of breach of this Agreement by the Government or due to Force Majeure, the Beneficiary Firm shall pay to the Government, liquidated damages in an amount calculated at the rate of 0.1% (zero point one per cent) of the Performance Security for each day’s delay until the achievement of the above obligations.</p> <p>Query: These liquidated damages shall be applicable on the successful Bidder over and above the deductions in the subsidy as per Article-8 of the Programme Agreement. This results into double levy of penalties hence request to delete the mentioned provisions for liquidated damages.</p>	Please refer to Addendum - 1

94.	<p>Document: Programme Agreement</p> <p>Clause: 6.2.7, Page 21</p> <p>Document Text: The Beneficiary Firm agrees that it shall achieve the Committed Capacity and overall Value Addition at the Mother Unit level within 5 (five) years from the Appointed Date. In the event that the Beneficiary Firm does not achieve the Committed Capacity and overall Value Addition at the Mother Unit level within the stipulated time period, and the delay has not occurred as a result of breach of this Agreement by the Government or due to Force Majeure, the Beneficiary Firm shall pay to the Government, liquidated damages in an amount calculated at the rate of 0.1% (zero point one per cent) of the Performance Security for each day's delay until the achievement of the aforementioned obligations.</p> <p>Query: These liquidated damages shall be applicable on the successful Bidder over and above the deductions in the subsidy as per Article-8 of the Programme Agreement. This results into double levy of penalties hence request to delete the mentioned provisions for liquidated damages.</p>	Please refer to Addendum - 1
95.	<p>Document: Programme Agreement</p> <p>Clause: 16.2.3, Page 39</p> <p>Document Text: Upon delivery of the Beneficiary Firm Termination Notice, this Agreement shall stand terminated from the date of Beneficiary Firm Termination Notice. Upon such termination, the Beneficiary Firm shall stand discharged of all its obligations, except for those that had accrued prior to the date of termination of this Agreement.</p> <p>Query: In line with provision specified under Clause No. 16.2.2, the Government may terminate this Programme Agreement by serving a 7 (seven) days' notice. In view of the above, we request the Government to modify the referred clause as follows:</p>	Standard bid condition prevails.

	<p>Upon delivery expiry of 7 (seven) days from the issuance of the Beneficiary Firm Termination Notice, this Agreement shall stand terminated from the date of Beneficiary Firm Termination Notice. Upon such termination, the Beneficiary Firm shall stand discharged of all its obligations, except for those that had accrued prior to the date of termination of this Agreement.</p>	
96.	<p>Document: RFP</p> <p>Clause: 1.1.3, Page 6</p> <p>Document Text: The Government shall execute a Programme Agreement with the SPV (as provided in Clause 2.2.10), substantially in the format specified at Appendix XIV hereto. State Governments shall also extend support and provide additional incentives for implementation of the Project, through the execution of a tripartite agreement between the SPV, State Government and the Government (“Tripartite Agreement”). The template of the model Tripartite Agreement has been annexed to this RFP at Appendix XV and the Bidders may revise the model Tripartite Agreement (including to seek additional incentives) through direct negotiation with the respective State Government, subject to and in accordance with the provisions of the model Tripartite Agreement. It is clarified that the Government shall have the right to seek amendment to such Tripartite Agreement, agreed to be executed between the Beneficiary Firm and the respective State Government.</p> <p>Query: We understand that the execution of Tripartite Agreement is suggested but not a mandatory requirement in case Selected Bidder has the land and utilities available with it for setting-up the giga-factory. Kindly confirm.</p>	Standard bid condition prevails.
97.	<p>Document: RFP</p> <p>Clause: 2.2.4, Page 12</p> <p>Document Text: The Bidder shall enclose with its Bid, to be submitted as per the format at Appendix-I, complete with its Annexes, the following:</p>	Please refer to Addendum – 1.

	<p>(i) certificate prepared according to the International Financial Reporting Standards (“IFRS”) from a reputed auditor specifying the Net Worth of the Bidder, as specified under Clause 2.2.3, as per format at Appendix IV.</p> <p>(ii) certificate(s) from statutory auditors of the Bidder or its Associates specifying the Net Worth of the Bidder, as specified under Clause 2.2.3, as at the close of each of the preceding financial year for which the Net Worth is required, and also specifying that the methodology adopted for calculating such Net Worth conforms to the provisions of this Clause 2.2.4 (ii). For the purposes of this RFP, net worth (the “Net Worth”) shall mean the sum of subscribed and paid-up equity and reserves from which shall be deducted the sum of revaluation reserves, miscellaneous expenditure not written off and reserves not available for distribution to equity shareholders.</p> <p>Query: We understand that bidders are required to provide either of the two certificates under Point Nos. (i) & (ii) of this Clause-2.2.4, as follows:</p> <ol style="list-style-type: none"> 1. A Net Worth certificate from any reputed auditor in the form of Appendix-IV. 2. A Net Worth certificate from statutory auditor in the form of Appendix-IV. <p>Kindly confirm if our understanding is correct.</p> <p>Further, as per note specified under Appendix-IV, we understand that the Net Worth details are required to be provided for preceding financial year only. In view of the same, please clarify the usage of phrase “as at the close of each of the preceding financial year” in point No. (ii) of referred clause.</p>	
98.	<p>Document: RFP</p> <p>Clause: 2.2.15, Page 15</p> <p>Document Text: Notwithstanding anything to the contrary contained herein, in the event that the Bid Due Date falls within 3 (three) months of the closing of the latest financial year of a Bidder, it shall ignore such financial year for the purposes of its</p>	Standard bid condition prevails.

	<p>Bid and furnish all its information and certification with reference to the latest financial year. For the avoidance of doubt, financial year shall, for the purposes of a Bid hereunder, mean the accounting year followed by the Bidder in the course of its normal business.</p> <p>Query: We understand that in case the Bid Due Date falls within 3 (three) months of the closing of the latest financial year, the Bidder shall furnish the information and certification (including the audited financial statements and auditor's certificate for net worth) of the year preceding the latest financial year. Kindly confirm.</p>	
99.	<p>Document: RFP</p> <p>Clause: Appendix - IV, Page 49</p> <p>Document Text: Net Worth of the Bidder</p> <p>Query: We request the Government to elaborate and clarify what exactly is required to be filled-in against the requirement of "Member Code" in the referred Appendix-IV.</p>	Please refer to Addendum – 1.
100.	<p>Document: RFP</p> <p>Clause: 2.9.2, Page 17</p> <p>Document Text: The Government reserves the right to reject any Bid and appropriate the Bid Security if:</p> <p>(a) at any time, a material misrepresentation is made or uncovered, or</p> <p>(b) the Bidder does not provide, within the time specified by the Government, the supplemental information sought by the Government for evaluation of the Bid</p> <p>Query: The condition as specified under Point No. (b) regarding appropriation of Bid Security if bidder fails to provide the supplemental information sought for evaluation of the Bid, is very stringent.</p>	Standard bid condition prevails.

	<p>We therefore request the Government to delete the provision of appropriation of Bid Security for Point No. (b).</p>	
101.	<p>Document: RFP</p> <p>Clause: 2.25.1 (k), Page 25</p> <p>Document Text: Prior to evaluation of Bids, the Government shall determine whether each Bid is responsive to the requirements of the RFP. A Bid shall be considered responsive if:</p> <ul style="list-style-type: none"> (a) it is received as per format at Appendix-I; (b) (c) (d) (e) (f) (g) (h) (i) (j) it is supported with evidence of payment of cost of the RFP process; and (k) it is not non-responsive in terms hereof. <p>Query: This statement under Point No. (k) appears to be redundant. We request deletion of the same.</p>	<p>Standard bid condition prevails.</p>
102.	<p>Document: RFP</p> <p>Clause: 2.30.4, Page 26</p> <p>Document Text: After acknowledgement of the LOA as aforesaid by the Selected Bidder, it shall cause the Selected Bidder/SPV to execute the Programme Agreement within the period prescribed in Clause 1.3.</p>	<p>Standard bid condition prevails.</p>

	<p>Query: We understand that SPV is required to execute the Programme Agreement in line with clause 2.2.10. Kindly confirm.</p>	
103.	<p>Document: RFP</p> <p>Clause: 2.5.1 (c), Page 16</p> <p>Document Text: It shall be deemed that by submitting the Bid, the Bidder has: (a) made a complete and careful examination of the RFP; (b) received all relevant information requested from the Government; (c) accepted the risk of inadequacy, error or mistake in the information provided in the RFP or furnished by or on behalf of the Government; and agreed to be bound by the undertakings provided by it under and in terms hereof.</p> <p>Query: We would request that in the event of such omission, mistake or error as stipulated under Point No. (c), the Bidder would be provided an opportunity to suitably modify the Bid. Please confirm.</p>	Standard bid condition prevails.
104.	<p>Document: RFP</p> <p>Clause: 2.5.2, Page 16</p> <p>Document Text: The Government shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the RFP or the Bidding Process, including any error or mistake therein or in any information or data given by the Government.</p> <p>Query: We would request that in the event of such omission, mistake or error as stipulated under Point No. (c) (stated in S. No 26), the Bidder would be provided an opportunity to suitably modify the Bid. Please confirm.</p>	Standard bid condition prevails.
105.	<p>Document: RFP</p> <p>Clause: Annex- II to Appendix - I, Page 42</p>	Standard bid condition prevails.

	<p>Document Text: Statement of Legal Capacity</p> <p>We hereby confirm that we/ our Members in the Consortium (constitution of which has been described in the Bid) satisfy the terms and conditions laid out in the RFP document.</p> <p>Query: As per instruction provided in the footnote of this Annex-II, the bidder is required to strike out the non-applicable portion. Taking note of the above, we understand that the sole bidder can strike-out the phrase “our Members in the Consortium (constitution of which has been described in the Bid)” from the said provision. Kindly confirm.</p>	
106.	<p>Document: RFP</p> <p>Clause: Appendix - VII, Page 54</p> <p>Document Text: Bank Guarantee for Bid Security</p> <p>In consideration of you,, having its office at, (hereinafter referred to as the “Government”, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid.....</p> <p>Query: We understand that the referred provision in the bid security format is required to be filled-in as follows. Kindly confirm.</p> <p>In consideration of you, the Government of India through the Ministry of Heavy Industries, having its office at Udyog Bhawan, Ministry of Heavy Industries, New Delhi, (hereinafter referred to as the “Government”, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid.....</p>	Standard bid condition prevails.
107.	Document: RFP	Standard bid condition prevails.

	<p>Clause: Appendix - II, Page 44</p> <p>Document Text: Power of Attorney for signing of Application and Bid</p> <p>Query: We would like to propose insertions regarding the following in the POA format to make it technically correct without changing the intent of POA:</p> <ul style="list-style-type: none"> • Instead of the firm, the whole-time director of the firm should nominate, authorize or appoint the attorney(ies) • Attorney(ies) can have the authorization under POA for as long as they are employed with the firm. <p>Moreover, we intend to include more than one name in the POA, hence, particulars of individuals shall be repeated.</p> <p>In view of the above, we have made minor corrections in Appendix-II. The same is attached separately.</p>	
108.	<p>Document: RFP</p> <p>Clause: 2.2.1, Page 10</p> <p>Document Text: (iv) such Bidder has the same legal representative for purposes of a Bid as any other Bidder; or....</p> <p>Query: Kindly define the term “legal representative”.</p>	Standard bid condition prevails.
109.	<p>Document: RFP</p> <p>Clause: 3.4.2, Page 30</p>	Standard bid condition prevails.

	<p>Document Text: Such allocation shall be subject to a minimum allocation of 5 (five) GWh and a maximum cumulative allocation of 20 (twenty) GWh to a single Bidder, in blocks of 1 (one) GWh.</p> <p>Query: Bidder understands the Bidder shall be required to quote minimum of 5 (five) GWh and a maximum of 20 (twenty) GWh, in blocks of 1 (one) GWh only. To clarify, the Bidder is not allowed to quote for capacity in decimals. For example, a bidder should quote for either 6 GWh or 7 GWh and not for 6.5 GWh. Kindly confirm the understanding.</p>	
110.	<p>Document: RFP</p> <p>Clause: Appendix – V, Annex - 1, Page 52</p> <p>Document Text: Annex-I Technical Bid</p> <p>Query: As per Programme Agreement, “quarter” shall mean three months period commencing from April 1, July 1, October 1 and January 1. Bidder understands that Appointed date shall be on commencement of “quarter” i.e. either April 1, July 1, October 1 or January 1. Kindly confirm.</p>	The understanding is correct
111.	<p>Document: Programme Agreement</p> <p>Clause: 6.2.7, Page 21</p> <p>Document Text: The Beneficiary Firm agrees that it shall achieve the Committed Capacity and overall Value Addition at the Mother Unit level within 5 (five) years from the Appointed Date. In the event that the Beneficiary Firm does not achieve the Committed Capacity and overall Value Addition at the Mother Unit level within the stipulated time period, and the delay has not occurred as a result of breach of this Agreement by the Government or due to Force Majeure, the Beneficiary Firm shall pay to the Government, liquidated damages in an amount calculated at the rate of 0.1% (zero point one per cent) of the Performance Security for each day’s delay until the achievement of the aforementioned obligations.</p>	Please refer to Addendum – 1.

	<p>Query: As per clause 1.1.3 of the RFP, overall value addition can be achieved within 5 (five) years from the appointed date at mother unit level or at project level through hub and spoke structure. Hence, request to modify the clause accordingly.</p>	
112.	<p>Document: Programme Agreement</p> <p>Clause: 16.1.1, Page 39</p> <p>Document Text: (a) the Beneficiary Firm fails to meet any Conditions Precedent, within a cure period of 30 (thirty) days;</p> <p>Query: As per clause 4.5 of the Programme Agreement, either Party shall be entitled to extension of the time period by 60 (sixty) days or such additional time period as agreed by the other Party, for fulfilment of respective Condition Precedent.</p> <p>Bidder understands that the cure period of 30 (thirty) days is over and above the period mentioned in the above clause. Kindly confirm.</p>	Please refer to Addendum – 1.
113.	<p>Document: Programme Agreement</p> <p>Clause: Schedule - A, Page 46</p> <p>Document Text: Applicable Permits for Establishing Project</p> <p>Query: Bidder understands that furnishing of the mentioned permits shall be covered under the Conditions Precedent obligations of the Government. The Bidder shall be obliged to provide the requisite documents for the said Permits. Kindly confirm.</p>	Standard bid condition prevails.
114.	<p>Document: Programme Agreement</p> <p>Clause: Schedule - K, Page 80</p>	Standard bid condition prevails.

	<p>Document Text: Obligations prior to the Appointed Date(C) Timelines for obtaining Applicable Permits;</p> <p>Query: Bidder understands that issuing of permits shall be covered under the Conditions Precedent obligations of the Government. Hence, request to delete the mentioned clause from the Obligations of the Bidder.</p>	
115.	<p>Document: RFP</p> <p>Clause: 2.15.3, Page 21 and 25</p> <p>Document Text: The Selected Bidder shall deliver the hard copies of all the documents related to the Bid.....</p> <p>(i) it is uploaded on the Central Public Procurement Portal https://eprocure.gov.in/eprocure/app in accordance with instructions for online submission as specified in Appendix VIII and original thereof are signed, sealed, hard bound and marked as stipulated in Clauses 2.14 and 2.15;</p> <p>Query: Bidder understands that Power of Attorney and Bid Security are the only documents to be submitted as hard copy. All other documents are to be submitted only in online mode. Kindly confirm.</p>	<p>Please refer to Article 2.15.3 in detail. Standard bid condition prevails.</p>
116.	<p>Document: RFP</p> <p>Clause: Appendix – VII, Page 54</p> <p>Document Text: In consideration (hereinafter referred to as the “Bidder” which expression shall unless it be repugnant to the subject or context thereof include its/their executors, administrators, successors and assigns), for the project (hereinafter referred to as “the Project”) pursuant to the RFP document dated issued in respect of the Project</p> <p>Query: We request the Government to clarify which of the following definitions of Project is to be considered for referred provision of Bid Security Format:</p>	<p>Please refer to Clause 1.4, 1.1.3.</p> <p>Standard bid condition prevails.</p>

	<p>Definition as per Clause No. 1.1.3:</p> <p>“Setting-up an Advance Chemistry Cell manufacturing facility of minimum 5 (five) GWh capacity and with Value-Addition (as defined in the Programme Agreement) of minimum 25% (twenty-five percent) within 2 (two) years from the Appointed Date and minimum 60% (sixty percent) Value Addition within 5 (five) years from the Appointed Date, overall at the mother unit level in case of an integrated unit, or at the project level through indigenous manufacturers, in a hub and spoke structure, in accordance with the Programme Agreement”</p> <p>OR</p> <p>Definition as per APPENDIX- XI: Format for Letter of Award:</p> <p>“Setting up an Advance Chemistry Cell manufacturing facility of minimum 5 (five) GWh capacity and establish an Advance Chemistry Cell manufacturing Project with domestic value-addition of minimum 25% (twenty-five percent) within 2 (two) years from the Appointed Date and minimum 60% (sixty percent) Value Addition within 5 (five) years from the Appointed Date, overall at the mother unit level in case of an integrated unit, or at the project level, through indigenous manufacturers, in a hub and spoke structure, in conformity with the Technical Bid”</p>	
117.	<p>Document: RFP</p> <p>Clause: Appendix – VII, Page 54</p> <p>Document Text: In consideration (hereinafter referred to as the “Bidder” which expression shall unless it be repugnant to the subject or context thereof include its/their executors, administrators, successors and assigns), for the project (hereinafter referred to as “the Project”) pursuant to the RFP document dated issued in respect of the Project</p>	<p>Tender Ref. No. 01(05)/2019-AE (19587) dated 22nd October 2021; Tender ID 2021_DFIN_653843_1</p>

	<p>Query: We understand that the date of RFP is 22-Oct-2021, as mentioned under Tender Notice. Kindly confirm.</p>	
118.	<p>Document: Programme Agreement</p> <p>Clause: Schedule - F, Page 72</p> <p>Document Text: Any notice by way of request, demand or otherwise hereunder may be sent by post addressed to the Bank at its above referred Branch, which shall be deemed to have been duly authorised to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at the time when it ought to have been delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by an officer of the Government that the envelope was so posted shall be conclusive.</p> <p>Query: We request the Government to modify the referred provision of Performance Security format as follows:</p> <p>Any notice by way of request, demand or otherwise hereunder may be sent by post addressed to the Bank at its above referred Branch, which shall be deemed to have been duly authorised to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at the time when <u>the same is received and acknowledged by the Bank before the expiry date</u> it ought to have been delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by an officer of the Government that the envelope was so posted shall be conclusive.</p>	<p>Standard bid condition prevails.</p>
119.	<p>Document: Programme Agreement</p> <p>Clause: Schedule - F, Page 73</p>	<p>Standard bid condition prevails.</p>

	<p>Document Text: This Guarantee shall come into force with immediate effect and shall remain in force and effect for a period of the Agreement from the date hereof or until it is released earlier by the Government pursuant to the provisions of the Agreement.</p> <p>Query: We request the Government to modify the referred provision of Performance Security format as follows:</p> <p>This Guarantee shall come into force with immediate effect and shall remain in force and effect for a period of the Agreement from the date hereof or until it is released earlier by the Government pursuant to the provisions of the Agreement <u>however in any case the guarantee shall cease to be in force on expiry date.</u></p>	
120.	<p>Document: RFP</p> <p>Clause: Annex 1, Appendix 1, Page 41</p> <p>Document Text: Has the Bidder/ constituent of the Consortium paid liquidated damages of more than 5% of the contract value in a contract due to delay or has been penalised due to any other reason in relation to execution of a contract, in the last three years?</p> <p>Query: Government may kindly note that the bidder is a large and diverse conglomerate operating in several business lines and has executed many Contracts in last three years.</p> <p>While liquidated damages (LDs) may have been levied on certain projects in last three years, these LDs are still under discussions / negotiations with the concerned customers, hence these cannot be considered conclusive / definitive in nature.</p> <p>Further, we are bound by Confidentiality Provision of the respective Contracts.</p> <p>In view of the above, we request the Government to delete the referred provision as it has no relevance with the selection process.</p>	Standard bid condition prevails.

121.	<p>Document: RFP</p> <p>Clause: Annex 1, Appendix 1, Page 41</p> <p>Document Text: A statement by the Bidder and each of the Members of its Consortium (where applicable) or any of their Associates disclosing material non-performance or contractual non-compliance in past projects, contractual disputes and litigation/ arbitration in the recent past is given below (Attach extra sheets, if necessary):....</p> <p>Query: Government may kindly note that we are bound by confidentiality agreements in our respective contracts and hence, we propose to furnish a certificate from our corporate legal department stating that “There are no major litigation or arbitration proceedings pending adjudication against us or any liquidation proceedings or court receivership or similar proceedings pending or initiated against us to our knowledge, which shall prohibit us from performing our obligation under this RFP and Programme Agreement”.</p> <p>Such certificates are well accepted by various Central/ State Utilities in their tenders.</p> <p>Kindly consider the same.</p>	<p>Additional documents may be provided. However, the terms of the RFP document would prevail.</p>
122.	<p>Document: RFP</p> <p>Clause:2.3.1 (a), Page 15</p> <p>Document Text: Where the Bidder is a Consortium, change in the composition of a Consortium may be permitted by the Government, only where: the application for such change is made no later than 15 (fifteen) days prior to the Bid Due Date;</p> <p>Query: The clause is not understood because if the joint bidding agreement will be submitted on bid due date, bidder is free to decide the composition of consortium before bid submission. Kindly Clarify.</p>	<p>Standard bid condition prevails.</p>

123.	<p>Document: Programme Agreement</p> <p>Clause: Schedule-E, Page 68</p> <p>Document Text: The 'actual value added' may be calculated on the basis of financial records (including turnover reported in GST returns) as per the following formulae:</p> <ul style="list-style-type: none"> • Sale value (net of returns, price adjustments, discounts, etc.) of the said goods, excluding indirect Taxes, if any, paid on the goods • Less: Cost of raw materials and/or packing materials consumed in the said goods (i.e. in the final sale price of the goods sold) to be calculated in terms of generally accepted costing principles • Less: Cost of material whose source of origin cannot be ascertained (beyond prescribed threshold) • Less: Cost of fuel consumed, if eligible for GST input credit • Less: Expenses incurred in foreign currency for royalty or technical know-how as debited in the income statement • Add: 'Actual value added by the indigenous manufacturers' i.e., ancillary unit or domestic manufacturers attributable to sale value (net of returns, price adjustments, discounts, etc.) of said goods. <p>Query: It is understood from this formula that cost of electricity consumed will not be subtracted for calculation of value added, since GST input credit is not applicable on electricity charges. Kindly confirm if bidders understanding is correct.</p>	The understanding is correct. Standard bid condition prevails.
124.	<p>Document: Programme Agreement</p> <p>Clause: Annex-1 to Schedule - B, Page 49</p> <p>Document Text: (d) Percentage of Value Addition (as per certificate for Value Addition in India), or the Value Addition specified in the technical bid of the Beneficiary Firm, whichever is lower:</p> <p>HSN no. Value Addition (%)</p>	Please refer to Addendum – 1.

	<p>Query: MHI may please consider giving higher subsidy as per formula if bidder achieves higher value addition w.r.t quoted value addition in the technical bid during execution of the project.</p> <p>It is requested to kindly delete the statement “whichever is lower” from this Annex-1.</p>	
125.	<p>Document: Programme Agreement</p> <p>Clause: Definition and Schedule - O, Page 8</p> <p>Document Text: “Milestone 1” shall mean the achievement by the Beneficiary Firm of: (a) Investment of INR 225,00,00,000 (Rupees two hundred and twenty-five crore) per GWh (excluding the cost of land) for the Committed Capacity specified by the bidder at the end of 2 (two) years from the Appointed Date; and (b) 25% (twenty-five per cent) Value Addition of the Advance Chemistry Cell, within 2 (two) years from the Appointed Date.</p> <p>Query: We understand that for achieving Milestone 1, The committed capacity shall be the quoted capacity by the bidder corresponding to 2nd year in the technical bid (Appendix-V, Annex-1) only. Kindly clarify.</p>	Standard bid condition prevails.
126.	<p>Document: RFP</p> <p>Clause: 2.2.3, 2.2.9 and Appendix – IV, Page 11, 13, and 49</p> <p>Query: Clause 2.2.3 read with Appendix IV of the RFP states that to be eligible for short-listing, the bidder shall have a minimum net worth of Rs. 225,00,00,000 per GWh for the latest completed financial year, preceding the bidding.</p> <p>Further, clause 2.2.9 of the RFP states that the selected bidder shall form an appropriate Special Purpose Vehicle to implement the Project.</p>	For computing the Financial Capacity of a Bidder, the Financial Capacity of their Associate would also be eligible.

	<p>Clarity is needed as to whether the said net worth criteria can be considered as fulfilled if the holding company of the Bidder has the net worth of Rs. 225,00,000 per GWh in the preceding financial year i.e., 2020-21 in the current scenario.</p> <p>Illustration: An entity X applies for the bid and furnishes the net-worth certificate of the Holding Company. The question is that whether the entity X would be considered as an eligible bidder (by furnishing net-worth certificate of the Holding Company).</p>	
127.	<p>Document: Programme Agreement</p> <p>Clause: 1.4.2.3, Page 56</p> <p>Query: Clause 1.4 of the Programme Agreement specifies the testing criteria to assess the life cycle capacity of the batteries. In this regard, we wish to state that some ACC will have multiple degradation slopes, in which case the degradation curve will not be linear.</p> <p>In such case, clarity is needed as to whether it is mandatory to follow the degradation curve as given in clause 1.4.2.3.</p> <p>For instance, at 2000 cycles, available energy would be $\geq 85\%$ (and may not be $\geq 90\%$) but still be able to reach $\geq 80\%$ State of Charge ('SoC') at 4000 cycles.</p>	Clause: 1.4.2.3 of Page 56 would prevail
128.	<p>Document: Programme Agreement</p> <p>Clause: Schedule – G, Page 74</p> <p>Query: Schedule – G of the Programme Agreement specifies the minimum technical specification of the ACC batteries.</p> <p>Clarity is needed as to whether it is necessary to follow the cycle numbers as a discrete value mentioned in the table given in Schedule – G or can it be a range of values.</p>	Standard bid condition prevails.

	For instance, for ACC with 199 Wh/kg, whether the cycle life requirement is still ≥ 4000 cycles or it will be lower since it moves towards the Energy density of ≥ 200 Wh/kg where the expected cycle life is ≥ 2000 cycles.	
129.	Document: Programme Agreement Clause: Schedule – D, Page 59 Query: How frequent / periodically will be the high-rate discharge tests be conducted / measured?	Please refer to clause no. 1.4.2.5 and 1.4.3.1 of schedule D. Standard bid condition prevails
130.	Document: Programme Agreement Clause: Schedule D, Page 59 Query: Whether high-rate discharge test need to be performed at initial, 50% cycles during the continuous discharge or one cycle before? If it needs to be measured during continuous discharge, please clarify on the energy calculation at Initial, 50% cycle since there is a high rate of discharge for 30 seconds included in the full discharge.	Please refer to clause 1.4.2.5 and 1.4.3.1 of schedule-D. Standard bid condition prevails
131.	Document: Programme Agreement Clause: Schedule D, Page 59 Query: In the case of high-rate discharge test, what is the data logging interval recommended for the test?	This can be as per standard logging intervals of the testing laboratories. The objective is to ensure that the cell voltage after application of the high current pulse shall not fall below the manufacturer determined end-of-discharge voltage / minimum acceptable voltage.
132.	Document: Programme Agreement	Methodology of projection would be the same as

	<p>Clause: Schedule D, Page 59</p> <p>Query: How to estimate the projected voltage drop at the end of cycle test for high-rate discharge test. Will be helpful if there is a clear formula as similar to predicting cycle life?</p>	<p>mentioned in 1.4.2.4 of schedule-D</p>
133.	<p>Document: Programme Agreement</p> <p>Clause: Schedule D, Page 59</p> <p>Query: How to estimate the power capacity. Please clarify the procedure on calculation formulae, as similar to energy capacity calculation.</p>	<p>Applicable standards can be referred for understanding on measurement of power capacity.</p>
134.	<p>Document: Programme Agreement</p> <p>Clause: Schedule D, Page 59</p> <p>Query: Whether high-rate discharge test is mandatory for only partial cycle life test or is it mandatory for both partial cycle life test and complete cycle life test?</p>	<p>The test is mandatory for partial cycle life test.</p>
135.	<p>Document: Programme Agreement</p> <p>Clause: Schedule D, Page 59</p> <p>Query: Clause 1.4.3.3 of the Programme Agreement recommends the test should be between 40% and 50% SOC and at 25°C. Are these a recommendations or instructions that must be adhered to?</p>	<p>Please refer to Clause 1.4.3.3 of schedule D. Standard bid condition prevails</p>
136.	<p>Document: Programme Agreement</p> <p>Clause: Schedule D, Page 59</p> <p>Query: On Phase-4, whether the test termination specified is 3.1(e) or 3.1(d) because 3.1(d) calls for Energy capacity measurement and 3.1(e) calls for termination of test?</p>	<p>The test termination would be as per 3.1 (e),</p>

137.	<p>Document: Programme Agreement</p> <p>Clause: Schedule D, Page 59</p> <p>Query: Section 3.1 (c) refers to ‘periodical measurement of performance’. Clarity needed on the meaning.</p>	Please refer to Clause 3.1 (d) of Schedule-D.
138.	<p>Document: RFP</p> <p>Clause: 3.3.2, Page 29</p> <p>Query: Clause 3.3.2 on Page 29 of 83 of the RFP document states that “the amount of Subsidy quoted by the Bidder, shall be subject to a ceiling of INR 2000 (Rupees two thousand) per kWh”. It is not clear whether this ceiling is applicable on the base subsidy benchmark, on which a bidder’s financial score will be calculated OR on the effective subsidy which includes the multiplication factor and which the bidder would be eligible for based on the chemistry.</p> <p>As the following illustration shows, if the effective subsidy is capped at INR 2000 per kWh, then it would force bidders to gravitate towards ACCs with lower energy density for the same cycle life (the grey-coloured chemistries become ineligible for a base subsidy benchmark of INR 1500 per kWh as the effective subsidy after multiplying with multiplication factor becomes greater than INR 2000 per kWh). However, if the base subsidy is capped at INR 2000 per kWh, then the choice of chemistry will not be limited, as superior chemistries (higher energy densities, high cycle lives) will remain eligible to draw higher effective subsidies.</p>	Standard bid condition prevails. Illustration has been provided in Addendum-1

Base subsidy (INR/kWh)	1,500					
INR PER kWh	Energy Density (Wh/Kg)					
	>50	>125	>200	>275	>350	
Effective subsidies						
Cycle Life	>1000	-	-	-	1,500	1,800
	>2000	-	-	1,500	1,800	2,160
	>4000	-	1,500	1,800	2,160	2,592
	>10000	1,500	1,800	2,160	2,592	3,110

The effective subsidy calculation is as per below table defined in clause 3.3.3 of the RFP document, where “A is amount of subsidy indicated in the Financial Bid”. It will perhaps be beneficial to explicitly call A as the “base subsidy benchmark” and cap A at INR 2000 per kWh. That would clarify that incrementally better chemistries (i.e. ACCs with higher energy densities and higher cycle lives) could still get effective subsidies (more than INR 2000 per kWh) higher than the base subsidy benchmark (which could be at most INR 2000 per kWh).

		Energy Density (Wh/Kg)				
		>50	>125	>200	>275	>350
Cycle Life	>1000	0	0	0	A*1	A*1.2
	>2000	0	0	A*1	A*1.2	A*1.44
	>4000	0	A*1	A*1.2	A*1.44	A*1.728
	>10000	A*1	A*1.2	A*1.44	A*1.728	A*2.0736

139. General Query: Will the winning bidder be eligible to draw subsidy if it were to sell part or all of its production output to international markets?

Standard bid condition prevails.

140.	<p>General Query: It is not clear from the RFP document whether a bidder is allowed to commit capacities of multiple chemistries. If it is allowed, will the bidder have to demonstrate that each of the committed chemistries meet the capacity and value addition commitments defined in clause 1.1.3 of the RFP document? Or will the bidder be allowed to cumulate capacities and value addition across all chemistries to meet minimum requirements of the above clause? How will the subsidies be calculated?</p>	Please refer to Addendum- 1.																								
141.	<p>Document: RFP</p> <p>Clause: 3.3.5, Page 30</p> <p>Query: What is Govt. of India's rationale behind phasing down of base subsidy benchmark from year 5 to year 7?</p> <table border="1" data-bbox="315 715 1339 1010"> <thead> <tr> <th>FY</th> <th>1 year 2022-23</th> <th>2 year 2023-24</th> <th>3 year 2024-25</th> <th>4 year 2025-26</th> <th>5 year 2026-27</th> <th>6 year 2027-28</th> <th>7 year 2028-29</th> </tr> </thead> <tbody> <tr> <td>Reduction</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>10%</td> <td>20%</td> <td>40%</td> </tr> <tr> <td>Year on year effective phasing of base Subsidy (benchmark amount)</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>90%</td> <td>72%</td> <td>43%</td> </tr> </tbody> </table>	FY	1 year 2022-23	2 year 2023-24	3 year 2024-25	4 year 2025-26	5 year 2026-27	6 year 2027-28	7 year 2028-29	Reduction	0%	0%	0%	0%	10%	20%	40%	Year on year effective phasing of base Subsidy (benchmark amount)	100%	100%	100%	100%	90%	72%	43%	Standard bid condition prevails.
FY	1 year 2022-23	2 year 2023-24	3 year 2024-25	4 year 2025-26	5 year 2026-27	6 year 2027-28	7 year 2028-29																			
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Year on year effective phasing of base Subsidy (benchmark amount)	100%	100%	100%	100%	90%	72%	43%																			
142.	<p>Document: Programme Agreement</p> <p>Clause: 8.3, Page 24</p> <p>Query: Clause 8.3 under Article 8 of Draft Programme Agreement defines "damages" to be deducted from the winning bidder's subsidy calculation in case of shortfall in meeting committed value addition. Can a clear formula be also presented with illustrative numbers just like the illustration provided in section 8.2 for shortfall in meeting committed capacity?</p>	Standard bid condition prevails.																								

143.	<p>Document: Programme Agreement</p> <p>Clause: Annex – 1 (Subsidy Determination Form), Schedule B and E, Page 49, 67</p> <p>Query: For calculating the subsidy, should the value addition be considered as per Annex 1 to Schedule B i.e., lower of Percentage of Value Addition as per certificate for Value Addition in India or Value Addition specified in the Technical Bid of the Beneficiary firm or as per Para 2 of Schedule E i.e., Value Addition achieved during the period?</p> <p>For instance, the value addition committed is 60% and the value addition achieved is 65%. As per the current scheme, the value addition is specified as 60% as per Schedule B and 65% as per Schedule E. The subsidy calculation may be done basis the actual value addition achieved.</p>	Please refer to Addendum - 1
144.	<p>Document: Programme Agreement</p> <p>Clause: 4.8, 8.2, 8.3 and 16.1, Page 24, 39</p> <p>Query: The penalty by way of adjustment of subsidy has been provided in para 8.2 and 8.3. Liquidated damages have been additionally prescribed under para 4.8. Termination has also been provided for in the para 16.1 in the event of a continued default.</p> <p>For the calculation of penalty, will there be any tolerance limit (+/- 5%)? Also, would companies get the benefit for any force majeure issues?</p> <p>Whether there would be any capping for invoking the performance security in proportion to non- fulfilment of commitments?</p> <p>In the event the value addition criteria is not met, the subsidy amount would be adjusted under Para 8.3. The investor would be additionally liable to pay liquidated</p>	Please refer to Article 4, 8, 14 and 16. Standard bid condition prevails. For liquidated damages, please refer to Addendum – 1.

	<p>damages under para 4.8. This would result in levy of penalty twice for the same default.</p> <p>It is recommended that the liquidated damages and penalty are capped. Also, provisions for relaxation/ extension of timelines should be granted in the case of force majeure issues.</p>	
145.	<p>Document: Programme Agreement</p> <p>Clause: 6.3 and 16.2.2, Page 21, 39</p> <p>Query: In the event of forfeiture of incentive due to non achievement of milestones or inability to remedy the Event of Default, would the Beneficiary firm be required to refund the subsidy received till the date of such termination of Agreement?</p>	Standard bid condition prevails.
146.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E, point 3, Page 67</p> <p>Query: Clause for percentage of localization in the definition of manufacture in the Programme Agreement.</p> <p>The manufacture definition as per the programme agreement has been made subject to the localisation as may be prescribed from time to time. As the value addition has been made mandatory under the scheme along with a stringent monitoring mechanism (with penalties), we recommend that localisation condition be removed from manufacture definition.</p>	Please refer to Addendum - 1
147.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E, Page 67</p>	<p>Standard bid condition prevails.</p> <p>‘Actual value added by the indigenous manufacturers’ i.e., ancillary unit or domestic</p>

	<p>Query: Whether only value addition by Tier 1 (i.e. direct supplier) indigenous manufacturers is to be added/ monitored or whether Tier 2/ Tier 3 (direct/ indirect supplier) would also need to be added for computing value addition under the Scheme?</p>	<p>manufacturers attributable to sale value (net of returns, price adjustments, discounts, etc.) of said goods is allowed to be added for calculation of value addition</p>
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148.	<p>Document: Programme Agreement</p> <p>Clause: Point (d) of Annex 1 to Schedule B and Clause 2 of Schedule E</p> <p>Query: Inconsistent formulae for computing Subsidy as per Annex 1 to Schedule B and Schedule E to the Programme Agreement.</p> <p>As per Annex 1 to Schedule B (“Subsidy Determination Form”), the Value Addition to be considered for computing Subsidy should be lower of the following:</p> <p>(i) Percentage of Value Addition as per certificate for Value Addition in India, or (ii) Value Addition specified in the Technical Bid of the Beneficiary firm Whereas, as per clause 2 of Schedule E “Disbursement Mechanism”, the Value Addition to be considered for computing the subsidy should be “Value Addition achieved during the period”</p> <p>Clarification is sought to ensure correct and standard approach for computing subsidy receivable under the PLI Scheme.</p> <p>Evidently both the clauses related to determination and disbursement of subsidy payable under the Scheme appear to be inconsistent. In relation to the above, as per clause 1.4 of the Programme Agreement, in case of discrepancies between 2 Schedules, the Schedule relevant to the issue should prevail.</p> <p>In the instant case, both the Schedules seem to be equally relevant for computation and disbursement of subsidy. Hence, a clarification is sought to understand the correct value of Value Addition to be considered for computing subsidy receivable under the Scheme.</p> <p>In case the intent is to limit the incentives of each period up to the Value Addition percentage quoted by the Applicant in the Technical Bid, then it may be detrimental to the Government’s agenda under the scheme to make India a global hub for manufacturing ACC batteries, since there would not be any incentive for the</p>	Standard bid condition prevails.
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	<p>Beneficiary firms to prepone/ escalate their overall value addition targets under the Scheme.</p> <p>Seclusively, reference can also be made to the Scheme Notification S.O. 2208(E) dated 9 June 2021, issued by the Ministry of Heavy Industries and Public Enterprises where in at clause 5.1, it has been stated that the amount of subsidy would be calculated as follows:</p> <p>“Applicable subsidy amount per kilowatt hour X (multiplied) Percentage of value addition achieved during the period X (multiplied) Actual sale of Advanced Chemistry Cells (in KWh), as shall be specified in the RFP”</p> <p>On perusal of the above, it appears that the intent has always been to reward the Beneficiary firms for value addition achieved during the period for which the subsidy claim is being made. Accordingly, it is recommended that the computation of subsidy under the Programme Agreement should consider Value Addition achieved by the Beneficiary firm during a claim period. The ceiling should only be applied with respect to Value Addition quoted in the Technical Bid at an overall level and not for each year.</p>	
149.	<p>Document: Programme Agreement</p> <p>Clause: 8.2 and 8.3 to Article 8 and Point (f) to Annex 1 to Schedule B</p> <p>Query: Penalty for shortfall in achievement of committed Value Addition and Production Capacity</p> <p>As per clause 8.2 of the Programme Agreement, in case of shortfall in committed production capacity for a particular period, the Government shall have the right to deduct from the subsidy payable, 2 times the subsidy due and payable corresponding to the shortfall in Committed capacity.</p> <p>Similarly, as per clause 8.3 of the above Article, in case of shortfall in committed Value Addition for a particular period, the damages shall be estimated by</p>	Please refer to Addendum - 1.

	<p>determining the deficit in the Committed Value Addition and the actual Value Addition achieved.</p> <p>However, on perusal of point (f) of Annex 1 to Schedule B to the Programme Agreement, it appears that only one of the penalties for shortfall in achievement of stipulated Value Addition or Committed Capacity would be considered for adjustment to the subsidy receivable for a particular period.</p> <p>Clarification is sought as to whether the penalties/ damages under clauses 8.2 and 8.3 are mutually exclusive.</p> <p>On perusal of the penalties/ damages to be imposed under clause 8.2 and 8.3, for not achieving the committed Value Addition or Production capacity, it appears that both the penalties can apply simultaneously and the same may not be mutually exclusive. However, reading of point (f) of the Annex 1 to Schedule B, indicates that only one of the 2 penalties would be adjusted against the subsidy receivable for a particular period. Accordingly, it is requested to issue necessary clarification in this regard to settle the above ambiguity and to mitigate risk of disputes in future.</p> <p>If the clarification is in line with our understanding provided in the first para, then point (f) of Annex 1 to Schedule B could be amended as follows:</p> <p>...(f) Applicable penalty on account of shortfall in achievement of stipulated Value Addition or Committed Capacity, whichever is higher (INR)....</p>	
150.	<p>Document: Programme Agreement</p> <p>Clause: 16.1.1(b)</p> <p>Query: Event leading to appropriation of Performance Security under Clause 7.2 of the Programme Agreement.</p>	Please refer to Addendum – 1.

As per clause 7.2 of the Programme Agreement, the Government shall be entitled to encash the performance security of the Beneficiary Firm on occurrence of Beneficiary Firm Event of Default.

In relation to the above, Clause 16 of the Programme Agreement stipulates the events which shall be regarded as Beneficiary Firm Event of Default under the Agreement. The said clause inter alia includes following events:

“(b) the Performance Security or any part thereof has been encashed and appropriated in accordance with Clause 7.2 and the Beneficiary Firm fails to replenish or provide fresh Performance Security within 15 (fifteen) days, or subsequent to the replenishment or furnishing of fresh Performance Security in accordance with Clause 7.2, the Beneficiary Firm fails to cure, within a cure period of 120 (one hundred and twenty) days, the Beneficiary Firm Event of Default for which whole or part of the Performance Security was appropriated.”

As per the above clause, it appears that the Event of Default would occur if the Beneficiary Firm fails to cure the Event of Default within 120 days from the event for which the performance security was appropriated.

Clarification is sought to understand the manner in which Event of Default would be determined under the clause highlighted above.

On perusal of clause 16.1.1.(b) of the Programme Agreement, it appears that the Beneficiary Firm may be penalised for the same default every 120 days from the event unless the default is rectified/ cured.

Further, on perusal of the specified clauses, it appears that there is no ceiling on the number of damages or forfeiture which can be initiated thereunder due to defaults called out thereunder.

	<p>Such punitive measures may be detrimental to the overall theme of the PLI scheme to reward the manufacturers who are investing to manufacture ACC batteries in India and may increase their apprehensions while estimating commitments to be made under the Scheme.</p> <p>Accordingly, appropriate clarification should be issued to the effect that all damages and forfeitures under the Programme agreement would be limited to the amount of performance security made by the Beneficiary Firm under the Agreement.</p> <p>Additionally, a clarification should be issued to avoid unintended dispute on appropriation of Performance Security in case of event described under clause 16.1.1.(b) of the Programme Agreement.</p> <p>Also, we request you to consider capping the appropriation in case of Beneficiary Firm Event of Default to the amount of Performance Security.</p> <p>Where the amount of Performance Security is exhausted through appropriation under Clause 16, the Government may exercise its other rights under the Agreement including the right to terminate the agreement under Clause 16.2 instead of asking the Beneficiary Firm to replenish the security amount and continue to appropriate the same under Clause 16.1.1.(b).</p>	
151.	<p>Document: Programme Agreement</p> <p>Clause: 16.1.1.(b) and 16.2.1</p> <p>Query: Termination under Clause 16.2 of Programme Agreement</p> <p>As per clause 16.2 of Article 16 to the Programme Agreement, the Government may initiate termination of the Agreement in case the Event of Default is not remedied by the Beneficiary firm for continuance period of 60 days.</p> <p>At the same time, clause 16.1.1.(b) allows the Beneficiary Firm 120 days from the Event of Default to take curative measures.</p>	Please refer to Addendum - 1.

	<p>Clarification is sought to understand the timeline within which the Government can initiate termination of the agreement considering the above 2 clauses of the Programme Agreement.</p> <p>Appropriate clarification should be issued to avoid any dispute on the subject matter in future.</p> <p>It is recommended to clarify that the termination of Agreement should be initiated only after the Beneficiary Firm has exhausted its rights clause 16.1.1.(b) of the Programme Agreement.</p>	
152.	<p>Document: Programme Agreement</p> <p>Clause: 6.3</p> <p>Query: Forfeiture of incentives under Clause 6.3 of the Programme Agreement</p> <p>As per Clause 6.3, if the Beneficiary firm fails to achieve the Milestones (defined in the Programme Agreement), then the Government shall inter alia have the right to forfeit the entire incentive, in which case the Beneficiary Firm shall not be entitled to receive any further amount in the form of subsidy.</p> <p>Clarification is sought to understand that in the above scenario, subsidy received before the date of default event will be recovered from the Beneficiary Firm or only the subsidy payable (i.e., Subsidy granted but not received) to the Firm after such event could be withheld.</p> <p>On perusal of Clause 6.3 it appears that in case the Beneficiary Firm is not able to achieve the defined Milestones, the subsidy payable for the period after the occurrence of such event could be withheld by the Government and the same default should not impact the subsidy received by the Beneficiary firm before the date of such event.</p>	Standard bid condition prevails.

	Appropriate clarity in line with the above understanding is required to avoid any dispute at a later stage.	
153.	<p>Document: Programme Agreement</p> <p>Clause: 16.2.2</p> <p>Query: Implication of termination of Programme Agreement under Clause 16.2.2 on subsidy received by the Beneficiary Firm.</p> <p>As per clause 16.2.2 of the Programme Agreement, if the Beneficiary Firm is not able to remedy the Event of Default with the specified timeline, the Government may terminate the agreement and in such a scenario said Beneficiary Firm would not be entitled to receive any subsidy from the Government.</p> <p>Clarification is sought to understand that in the above event, could the Beneficiary firm be required to refund the subsidy received till the date of such termination of Agreement.</p> <p>It is requested to clarify that termination of Agreement under clause 16.2.2 of the Programme agreement should not impact the subsidy earned by the Beneficiary firm before the date of such termination since such subsidy were earned after fulfilling applicable conditions prescribed under the Agreement in relation to the respective claim period.</p>	Standard bid condition prevails.
154.	<p>Document: Programme Agreement</p> <p>Clause: 3 of Schedule E</p> <p>Query: Definition of the term 'Manufacturing'</p> <p>As per clause 3 of Schedule E to the Program Agreement, the term 'Manufacture' has been defined to mean the following:</p>	Please refer to the Addendum-1.

	<p>The term “manufacture” may mean processing of raw-material or inputs in any manner that results in emergence of new product having a distinct name, character, and use. In other words, to meet the qualifying criteria for the incentives, the Advance Chemistry Cell should be manufactured in India and have such percentage of localization as may be notified from time to time.</p> <p>Reference to the term “manufacture” may be drawn from Section 2(72) of Central Goods and Service Tax Act 2017.</p> <p>It is unclear as to what would the term ‘Localisation’ used in the above definition mean? Further, since the value addition is already committed in the bid, whether localisation percentage will have to be monitored separately.</p> <p>Since one of the criteria for awarding the bid to the Beneficiary Firm would be based on their committed value addition, in as long as the Firm is able to achieve the same, there should be no separate requirement for localisation.</p>	
155.	<p>Document: Programme Agreement</p> <p>Clause: Scheme Notification S.O. 2208(E) dated 9 June 2021, and Schedule G</p> <p>Query: ACC eligibility Matrix</p> <p>The ACC eligibility matrix as per clause 2.1 of Scheme Notification S.O. 2208(E) dated 9 June 2021, issued by the Ministry of Heavy Industries and Public Enterprises includes ACCs with ‘Cycle life of <1000 and Energy Density > 350’.</p> <p>However, as per ACC eligibility matrix under Schedule G of Program Agreement, the above specification is not there.</p> <p>Whether the ACC with specification will be eligible for the scheme or not?</p> <p>Since the Gazette Notification includes ACCs with ‘Cycle life of <1000 and Energy Density > 350’, the same may also be included in RFP and Program Agreement.</p>	Please read clauses 3.1, 3.2 and 3.3 of Scheme Notification S.O. 2208(E) dated 9 June 2021.

156.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E</p> <p>Query: Computation of Value Addition</p> <p>As per Schedule E, while computing the Value Addition for the beneficiary firm, the Value Addition by the indigenous manufacturers' i.e., ancillary unit or domestic manufacturers has to be added; and the ultimate onus to validate the Value Addition by indigenous manufacturers i.e., ancillary unit or domestic manufacturers would remain on the Beneficiary Firm.</p> <p>It is unclear whether only value added by Tier 1 (i.e., direct supplier) indigenous manufacturers is to be added/ monitored; or whether Tier 2/ Tier 3 (suppliers of supplier) are also required to be added.</p> <p>Also, where such value added by indigenous manufacturer is considered, whether a certificate from their statutory auditor would be required?</p> <p>Considering the commercial challenges, value addition only by Tier 1 indigenous manufacturers shall be monitored and a statutory auditor certificate by such manufacturer shall be required to be obtained by Beneficiary Firm to ensure the validity of the same.</p>	<p>Standard bid condition prevails.</p> <p>'Actual value added by the indigenous manufacturers' i.e., ancillary unit or domestic manufacturers attributable to sale value (net of returns, price adjustments, discounts, etc.) of said goods is allowed to be added for calculation of value addition</p>
157.	<p>Document: Programme Agreement</p> <p>Clause: 3 (c) of Schedule E</p> <p>Query: Computation of Value Addition</p> <p>As per Clause 3(c) of Schedule E to the Programme Agreement, for determining the Value Addition in respect of Advanced Chemistry Cells, following amount should be inter alia deducted from the Sale Value of the Goods:</p>	<p>Please refer to the Addendum-1.</p>

	<p>(i) Cost of raw materials and/or packing materials consumed in the said goods (i.e. in the final sale price of the goods sold) to be calculated in terms of generally accepted costing principles.</p> <p>(ii) Cost of material whose source of origin cannot be ascertained (beyond prescribed threshold)</p> <p>Clarification is being sought in line with the understanding that deduction under point (i) and (ii) above are mutually exclusive.</p> <p>On perusal of the formulae to compute Value Addition, it appears that cost of materials common between the specified deduction entries, may be included twice thereby resulting in duplication.</p> <p>Appropriate clarification should be issued to the effect that deduction under the entry “Cost of material whose source of origin cannot be ascertained (beyond prescribed threshold)” should not include value of materials already deducted under the previous entry i.e. “Cost of raw materials and/or packing materials consumed in the said goods (i.e. in the final sale price of the goods sold) to be calculated in terms of generally accepted costing principles”.</p>	
158.	<p>Document: Programme Agreement</p> <p>Clause: 8.2</p> <p>Query: Computation of deduction due to shortfall in committed production capacity</p> <p>As per Clause 8.2 of the Programme Agreement, the Government shall have the right to deduct a specified amount from the subsidy payable for a particular period, in case the Beneficiary Firm is not able to meet the production capacity committed for such period.</p>	<p>Please refer to Addendum – 1. The criteria applies to committed capacity and penalty is also imposed on shortfall in committed capacity and not volume produced.</p>

	<p>In the illustration describing the manner of computing the above deduction, the term 'production/ sale' has been used with respect to commit capacity.</p> <p>Clarification is being sought to understand whether the shortfall would be computed with respect to the capacity produced or sold.</p> <p>Based on perusal of the specified clause along with other relevant clauses under the Programme Agreement, it is understood that the shortfall in committed capacity should be with respect to installed capacity and not production or sale. It should also be noted that in the Technical Bid the Applicant is required to commit installation of capacity during the specified period of the Scheme and not capacity to be produced/ sold during the same period.</p> <p>Accordingly, appropriately it should be clarified that the shortfall in committed capacity would be computed with reference to the Capacity installed and not produced or sold during a particular period.</p>	
159.	<p>Document: Programme Agreement</p> <p>Query: Valued Addition for LFP is met and NMC is fell short</p> <p>If we are able to achieve the value addition for the LFP cells and fell short of NMC cells due to raw material shortages, are we qualified for LFP incentives.</p> <p>It is not clear that if a manufacturer/ beneficiary firm is engaged in more than one class/ chemistry/ technology for manufacturing the cells, whether, the value addition over achieved in one category can be compensated with lesser value addition in another category.</p> <p>A suitable clarification may be issued to clarify that whether value addition will be measured at enterprise level or at cell/ cell category level.</p>	Please refer to Addendum - 1
160.	General Query: Raw Materials Price change Effects on Value Addition	Standard bid condition prevails.

	<p>In today's scenario raw material prices have jumped, PM and market price changes) and this will make ratios come down in spite of the same effort.</p> <p>An additional milestone in between 25% and 60% (Eg:50%) and additional time of two more years to reach 60% VA. This will ensure that the industry is more comfortable while bidding for the scheme and the overall object of the scheme is met.</p>	
161.	<p>General Query: Separate VA% for LFP and NMC Capacities</p> <p>There is a lack of clear plans for NMC although it is true for LFP. Hence having separate VA% for LFP and NMC to be considered.</p> <p>The manufacturing process for ACCs is an evolving technology and present various chemistries/ technologies are being used worldwide.</p> <p>While the scheme is technology agnostic, it is imperative for the growth of sector that newer and efficient technologies like NMC shall be given differential treatment and a lower value addition percentage may be provided for the same.</p>	Standard bid condition prevails.
162.	<p>Document: Programme Agreement and RFP</p> <p>Clause: 'Milestone 1' as defined in Clause 1.1 of the Programme Agreement, Clause 1.1.3 of the RFP Document, Pt. No. D and Clause 3.1 of the Programme Agreement</p> <p>Query: Whether the quantum of investment for first two years shall be based on minimum investment i.e., INR 1125 Cr. (INR 225*5 GWh) or will it depend upon committed capacity?</p> <p>Definition of 'Milestone 1' as defined in Clause 1.1 of Programme Agreement provides that investment of INR 225 crore per GWh for the committed capacity shall be made by the end of 2 years from appointed date.</p>	Please refer to Addendum – 1.

	<p>Basis the said definition, it is unclear whether the quantum of investment by the end of 2 years shall be based on minimum committed capacity of 5 GWh i.e., INR 1125 crore (INR 225 x 5 GWh) in all cases or will it depend on the actual committed capacity. Please note that minimum capacity have been indicated in Clause 3.2.1 of RFP document.</p> <p>Based on various clauses of the Agreement, it appears that the Beneficiary Firm has to achieve investment of INR 225 crores per GWh based on actual committed capacity within 2 years from the appointed date.</p> <p>Further, it has also been stipulated subsidy under the agreement would not be disbursed unless the Beneficiary Firm achieves the respective Milestone Completion Certificates, in accordance with the terms of this Agreement which in turn provides for achievement of investment based on committed capacity.</p> <p>Suitable clarity is required in this regard for enabling the Beneficiary Firm to achieve relevant milestones/ obligations defined under the agreement and thereby receive the subsidy thereunder based on achievement of the committed capacity in each year.</p>	
163.	<p>Document: Programme Agreement</p> <p>Clause: Pt. No. D of the Programme Agreement, Definition of 'Mother Unit', Clause 6.2.7 of the Programme Agreement.</p> <p>Query: Ambiguity in Pt. No. D of the Programme Agreement which indicates that the minimum capacity of 5 GWH is to be installed in first two years.</p> <p>The minimum capacity is to be achieved within 5 years from the Appointed Date. However, Pt. D of the Programme Agreement indicates that the minimum capacity of 5 GWH is to be installed in first two years which is not the intension of the government.</p>	Please refer to Addendum – 1.

	Language of Pt. No. D of the Programme Agreement may be suitably amended in line with the intended interpretation.	
164.	<p>Document: Programme Agreement</p> <p>Clause: 1.1</p> <p>Query: Whether committed capacity means “installed capacity” or “production capacity”</p> <p>As per Clause 1.1. of Program Agreement, “Committed capacity” has been defined as “production capacity” as allocated to the Beneficiary Firm by the government on selection.</p> <p>However, in the pre-bid meeting with DHI, it was provided that “installed capacity” is to be considered as “committed capacity”</p> <p>A clarification is sought with respect to the meaning of “committed capacity” to provide that it shall mean the installed capacity.</p>	Please refer to the Addendum – 1.
165.	<p>Document: Programme Agreement</p> <p>Clause: 5.1(c)</p> <p>Query: Whether “technological know-how” is to be demonstrated before Programme Agreement is signed?</p> <p>Clause 5.1(c) of Program Agreement provides that the beneficiary firm shall represent and warrant to the government that it has the requisite technological know-how. Is there a requirement to demonstrate such know-how before signing of programme agreement?</p>	Standard bid condition prevails.

	<p>The manufacturing process for ACCs is an evolving technology and present various chemistries/ technologies are being used worldwide. While the scheme is technology agnostic, it is imperative for the growth of sector that newer and efficient technologies shall be given differential treatment. Therefore, credence should be given to credible source of technology partner who can implement the project. This would ensure that only the bidders with proven technology partners apply under the scheme and deliver the manufacturing capacities rather than using the bid for the purpose of fund raising and subsequently finding a technology partner.</p> <p>Suitable clarity is required in this regard.</p>	
166.	<p>Document: Programme Agreement</p> <p>Clause: Schedule J</p> <p>Query: Method of computing value addition in variance with value addition methodology prescribed for Auto PLI.</p> <p>The prescribed method of Computation of value addition is very complex as compared to value addition methodologies for Auto or Solar PLI.</p> <p>Further, value added by indigenous manufacturers is to be added to ascertain the value added.</p> <p>Such multiple components create complication in computing the value added. In contrast, Auto PLI merely reduces FOB of all imported content in final product from ex-factory price in order to ascertain value added. Solar PLI also adopts similar method and reduces value of direct and indirect imported materials and services from sale value to ascertain value added. Such methods are user friendly and are easy to adopt.</p> <p>It is also worth mentioning that since in ACC industry, supply chain is not well established, it may not be possible to ascertain value addition by indigenous manufactures attributable to sale value of such goods.</p>	Standard bid condition prevails.

	<p>Methodology to compute value addition to be made simpler by removing multiple adjustments and preferably a computation mechanism similar to Auto PLI may be introduced.</p>	
167.	<p>Document: Programme Agreement</p> <p>Clause: 1.1.3 of Schedule – D read with 11.9.1</p> <p>Query: Whether in-house testing with NABL accreditation allowed under supervision of designated Government authority?</p> <p>Clause 1.1.3 of Schedule – D read with 11.9.1 of Programme Agreement provides that performance requirement of cells to be tested and certified for their life cycle by third party laboratory accredited by NABL. In this regard, whether an in-house testing will be allowed under supervision of authority as may be designated if the in-house lab is accredited by NABL?</p> <p>Allowance of such in-house testing with lab accredited by NABL in supervision of designated authority would eliminate the need to search for external laboratories especially in areas where such resources are scarce.</p>	<p>Please refer to 1.1.3 of schedule-D and 3-(i)-(viii) of Schedule-E. Standard bid condition prevails.</p>
168.	<p>Document: Programme Agreement</p> <p>Clause: 1.1</p> <p>Query: Clarification on definition of Mother Unit</p> <p>In Clause 1.1 of Programme Agreement, ‘mother unit’ has been defined a “single-roof establishment with respect to which the Beneficiary Firm shall be required to meet all its obligations under this Agreement”</p> <p>Clarification is sought whether it is mandatory to have more than one unit and identify one unit as a mother unit or can a bidder have a single unit where the entire manufacturing process is carried out and the investment criteria is met.</p>	<p>Standard bid condition prevails.</p>

169.	<p>Document: Programme Agreement</p> <p>Clause: Point (d) of Annex 1 to Schedule B and Clause 2 of Schedule E</p> <p>Query: Inconsistent formulae for computing Subsidy as per Annex 1 to Schedule B and Schedule E to the Programme Agreement</p> <p>As per Annex 1 to Schedule B (“Subsidy Determination Form”), the Value Addition to be considered for computing Subsidy should be lower of the following:</p> <ul style="list-style-type: none">(i) Percentage of Value Addition as per certificate for Value Addition in India, or(ii) Value Addition specified in the Technical Bid of the Beneficiary firm <p>Whereas, as per clause 2 of Schedule E “Disbursement Mechanism”, the Value Addition to be considered for computing the subsidy should be “Value Addition achieved during the period”</p> <p>Clarification is sought to ensure correct and standard approach is adopted, with respect to Value Addition, for computing subsidy receivable under the PLI Scheme.</p> <p>Evidently both the clauses related to determination and disbursement of subsidy payable under the Scheme appear to be inconsistent.</p> <p>In relation to the above, as per clause 1.4 of the Programme Agreement, in case of discrepancies between 2 Schedules, the Schedule relevant to the issue should prevail.</p> <p>In the instant case, both the Schedules seem to be equally relevant for computation and disbursement of subsidy. Hence, a clarification is sought to understand the correct value of Value Addition to be considered for computing subsidy receivable under the Scheme. In case the intent is to limit the subsidy of each quarter up to the Value Addition percentage committed by the Applicant in the Technical Bid, then it may be detrimental to the Government’s agenda under the scheme to make</p>	Please refer to Addendum – 1.
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India a global hub for manufacturing ACC batteries, since there would not be any incentive for the Beneficiary firms to prepone/ escalate their overall value addition targets under the Scheme.

Separately, reference can also be made to the Scheme Notification S.O. 2208(E) dated 9 June 2021, issued by the Ministry of Heavy Industries and Public Enterprises where in at clause 5.1, it had been stated that the amount of subsidy would be calculated as follows:

“Applicable subsidy amount per kilowatt hour X (multiplied) Percentage of value addition achieved during the period X (multiplied) Actual sale of Advanced Chemistry Cells (in KWh), as shall be specified in the RFP”

On perusal of the above, it appears that the intent has always been to reward the Beneficiary firms for value addition achieved during the period for which the subsidy claim is being made.

Accordingly, it is recommended that for computation of subsidy under the Programme Agreement, Value Addition achieved by the Beneficiary firm during a claim period should be considered.

Illustration:

Year	Qtr	Value add		Subsidy eligible should be for
		Committed	Achieved	
Year 1	-	-	-	-
Year 2	Q4	30%	30%	30%
Year 3	Q4	40%	45%	45%
Year 4	Q4	55%	47%	47%
Year 5	Q4	60%	65%	65%

In the above case, the % of Value add achieved is considered for computing the subsidy.

170.	<p>Document: Programme Agreement</p> <p>Clause: 6.3</p> <p>Query: Forfeiture of Subsidy under Clause 6.3 of the Programme Agreement</p> <p>As per Clause 6.3, if the Beneficiary firm fails to achieve the Milestones (defined in the Programme Agreement), then the Government shall inter alia have the right to forfeit the entire incentive, in which case the Beneficiary Firm shall not be entitled to receive any further amount in the form of subsidy.</p> <p>Clarification is sought to understand that in the above scenario, subsidy received or accrued before the date of default may be recovered from the Beneficiary Firm or only the subsidy payable after such date could be withheld.</p> <p>As per Clause 6.3, in case the Beneficiary Firm is not able to achieve the defined Milestones, the Government shall inter alia have the right to forfeit the entire incentive, in which case the Beneficiary Firm shall not be entitled to receive any further amounts in the form of Subsidy;</p> <p>On perusal of the above clause, it appears that subsidy payable for the period after occurrence of the default could be forfeited by the Government and the same should not impact the subsidy already received by or accrued to the Beneficiary firm before the date of such event. In this regard, usage of the word 'entire incentive' in the subject clause seems to be contrary to this understanding.</p> <p>Accordingly, appropriate clarity in line with the above understanding is required to avoid any dispute at a later stage.</p> <p>Illustration</p> <p>For instance, assume that the Beneficiary firm is not able to achieve the minimum Value Addition of 60% within 5 years from the Appointed date (i.e. Milestone 2). Also, it is assumed that the Firm has received subsidy of INR 300 crores for the</p>	Standard bid condition prevails.
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period till Quarter 2 of Year 5 and additional INR 50 crores is receivable for the Quarter 3 of Year 5. The subsidy for last quarter of Year 5 is assumed to INR 45 crores.

In the above scenario, given that the Beneficiary firm has not been able to achieve Milestone 2 at the end of Year 5, subsidy receivable by it for the period of or after Quarter 4 of Year 5 may be forfeited by the Government. This default should not impact the subsidy received for the period till Quarter 2 of Year 5 i.e., INR 300 crores and also subsidy rightfully accrued to the firm for the 3rd quarter i.e., INR 50 crores as per above illustration.

	Year 1	Year 2 (Milestone 1 "Achieved")	Year 3	Year 4	Year 5				Forfeiture amount should be
					Q1	Q2	Q3	Q4 (Milestone 2 "Not achieved")	
Subsidy Claimed/ received (Crore)	-	30	70	100	50	50	50	45	45

171.

Document: Programme Agreement

Clause: 8.2 and 8.3 to Article 8 and Point (f) to Annex 1 to Schedule B

Query: Reduction in Subsidy due to shortfall in achievement of committed Value Addition and Production Capacity

As per clause 8.2 of the Programme Agreement, in case of shortfall in committed production capacity for a particular period, the Government shall have the right to deduct from the subsidy payable, 2 times the subsidy due and payable corresponding to the shortfall in Committed capacity.

Similarly, as per clause 8.3, in case of shortfall in committed Value Addition, the damages shall be estimated by determining the deficit in the Committed Value Addition and the actual Value Addition achieved.

Please refer to Addendum – 1.

	<p>Further, on perusal of point (f) of Annex 1 of Schedule B to the Programme Agreement, it appears that only one of the penalty for shortfall in achievement of stipulated Value Addition or Committed Capacity would be considered for adjustment to the subsidy receivable for a particular period.</p> <p>Clarification is required with respect to the amount to be adjusted from the Subsidy, if the Beneficiary Firm fails to achieve both the Capacity and Value Addition commitment in the same quarter.</p> <p>On perusal of the penalties/ damages to be imposed under clause 8.2 and 8.3, for not achieving the committed Value Addition or Production capacity in a particular quarter, it appears that if the Beneficiary firm fails to achieve commitment towards Value Addition and Capacity in the same quarter then both the penalties/ damages may apply simultaneously and the same may not be mutually exclusive.</p> <p>At this point, perusal of point (f) of the Annex 1 to Schedule B, indicates that only one of the 2 penalties would be adjusted against the subsidy receivable for a particular period.</p> <p>Accordingly, it is requested to issue necessary clarification in this regard to settle the above ambiguity and to mitigate risk of disputes in future. If the clarification is in line with our understanding provided in the first para, then point (f) of Annex 1 to Schedule B could be considered to be amended as follows:</p> <p>(f) Applicable penalty on account of shortfall in achievement of stipulated Value Addition or Committed Capacity or both (INR).</p>	
172.	<p>Document: Programme Agreement</p> <p>Clause: 8.2 and 8.3</p> <p>Query: Manner of deduction from Subsidy under Clause 8.2 and levy of damages under clause 8.3 of the Programme Agreement</p>	Please refer to Addendum – 1.

Clause 8.2 of the Programme Agreement prescribes for deduction of a specified amount from the Subsidy payable for a particular quarter, if the Beneficiary firm is not able to achieve the Capacity committed for such quarter.

Similarly, damages have been prescribed under Clause 8.3 of the Agreement, in case Value addition commitments are not achieved by the Beneficiary firm. In relation to these damages, it has also been specified that if the Value Addition deficit is not fulfilled within the immediately subsequent quarter, such damages may be carried forward to subsequent quarters, until the deficit is adjusted.

Clarity is required with respect to the sequence in which above deduction or damages would be adjusted from the subsidy receivable for a particular quarter in which a Beneficiary firm defaults to achieve both the committed capacity and value addition.

On perusal of the Programme Agreement, it is understood that deduction and damages under clause 8.2 and 8.3 may apply concurrently in case the Beneficiary Firm defaults to achieve both the committed value addition and capacity.

In such a scenario, the agreement does not specify the sequence in which adjustment would be made to the subsidy receivable with respect to default in committed capacity and committed value addition.

Given that damages leviable for not achieving committed value addition can be carried forward to subsequent quarters (unless adjusted against subsidy receivable in the same quarter) but deduction due to shortfall in committed capacity cannot, it is suggested that the sequence of such adjustments to subsidy receivable should be clarified for a scenario where a Beneficiary Firm commits both the defaults in the same quarter.

In the interest of the Beneficiary firm, it is suggested to follow the following sequence to adjust subject deduction and damages amount from the Subsidy:

	<p>(i) Deduction due to shortfall in achieving the committed Value Addition (ii) Damages due to shortfall in achieving the committed capacity.</p>	
173.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E</p> <p>Query: Computation of Value Addition with respect to ancillary units.</p> <p>As per Schedule E, while computing the Value Addition for the beneficiary firm, the Value Addition by the indigenous manufacturers' i.e., ancillary unit or domestic manufacturers has to be added.</p> <p>It has further been specified that the ultimate onus to validate the Value Addition by indigenous manufacturers i.e., ancillary unit or domestic manufacturers would remain on the Beneficiary Firm.</p> <p>It is unclear whether only value added by Tier 1 (i.e., direct supplier) indigenous manufacturers is to be added/ monitored; or whether Tier 2/ Tier 3 (suppliers of supplier) are also required to be considered while calculating Value addition.</p> <p>Procurement of raw materials/ components for manufacture of ACC may involve multiple layer of vendors in the supply chain of the Beneficiary Firm. Further, given that manufacturing of ACC batteries is at a very nascent stage in India, the existing supply chain is not well organised.</p> <p>Given the above, requirement to procure certified details of value addition from each of such vendors in the entire supply chain could be complex and a very time-consuming process. This may also impact ability of the Beneficiary firm to apply for subsidy with the specified timelines for each quarter, in case of delay in receiving requisite value addition certificate from one of the vendor.</p>	<p>Standard bid condition prevails.</p> <p>'Actual value added by the indigenous manufacturers' i.e., ancillary unit or domestic manufacturers attributable to sale value (net of returns, price adjustments, discounts, etc.) of said goods is allowed to be added for calculation of value addition</p>

	<p>It also substantially increases the burden on the Beneficiary Firm given that it would be held accountable for any misdeclaration by any of such vendors in relation to respective value addition.</p> <p>Considering the above challenges, it is suggested that value addition made by only Tier 1 indigenous supplier/ vendor shall be required to be included in the value addition computation of the Beneficiary firm and a statutory auditor certificate by such supplier/ vendor shall suffice to ensure validity of their value addition.</p> <p>Further, it is recommended that the Beneficiary Firm should not be penalised for a misdeclaration by a particular vendor with respect to its achievement of value addition, since the Beneficiary Firm will not be in a position to validate the basis adopted by statutory auditor of the vendor while certifying value addition achieved by such vendor.</p>	
174.	<p>Document: Programme Agreement</p> <p>Clause: 3(c) of Schedule E</p> <p>Query: Computation of Value Addition with respect to cost of material</p> <p>As per Clause 3(c) of Schedule E to the Programme Agreement, for determining the Value Addition in respect of Advanced Chemistry Cells, following amount should be inter alia deducted from the Sale Value of the Goods:</p> <p>(i) Cost of raw materials and/or packing materials consumed in the said goods (i.e. in the final sale price of the goods sold) to be calculated in terms of generally accepted costing principles.</p> <p>(ii) Cost of material whose source of origin cannot be ascertained (beyond prescribed threshold)</p> <p>Clarification is being sought in line with the understanding that deduction under point (i) and (ii) above are mutually exclusive.</p>	Please refer to Addendum – 1

	<p>On perusal of the formulae to compute Value Addition, it appears that cost of materials common between the specified deduction entries, may be included twice thereby resulting in duplication.</p> <p>Appropriate clarification should be issued to the effect that deduction under the entry “Cost of material whose source of origin cannot be ascertained (beyond prescribed threshold)” should not include value of materials already deducted under the previous entry i.e. “Cost of raw materials and/or packing materials consumed in the said goods (i.e. in the final sale price of the goods sold) to be calculated in terms of generally accepted costing principles”</p>	
175.	<p>Document: Programme Agreement</p> <p>Clause: 1.1</p> <p>Query: Determination of Value addition at the end of 2 years from the Appointed date to achieve ‘Milestone 1’ defined in the agreement.</p> <p>As per definition of Milestone 1, the Beneficiary Firm is mandated to achieve 25% Value addition within 2 years from the Appointed date.</p> <p>As per Schedule J to the Agreement, it is understood that computation of value addition is dependent on sale value of goods sold during a particular period.</p> <p>Clarification is being sought to understand the manner to compute value addition achieved by Beneficiary Firm within 2 years from the Appointed date, in case the firm is not able to Manufacture adequate commercial capacity of ACC for sale within such period considering the time required to set up a unit to manufacture ACC qualifying under the PLI Scheme.</p> <p>Based on various clauses of the Agreement, it appears that the Beneficiary Firm has to achieve value addition of 25% within 2 years from the appointed date. Further, it has also been stipulated that subsidy under the agreement would not</p>	Standard bid condition prevails.

	<p>be disbursed unless the Beneficiary Firm is able to achieve 25% Value addition condition. At this point, it may be noted that in order to set up a manufacturing facility to produce ACC of a committed performance standard may take substantial time which may extend to 18 to 20 months i.e. 18 to 20 months from the Appointed date.</p> <p>In light of the above, there may be a scenario that the Beneficiary firm is not able to produce adequate quantity of commercial capacity of ACC by end of 2 years from the Appointed date which can be sold to the customers. In such a scenario, given that computation of value addition is based on the sale value of ACC, it would not be possible to determine value addition achieved by the Beneficiary firm at the end of 2 years which may entail damages/ penalties on the firm and may also result in termination of the Agreement. This may happen even in case where substantial part of the procurement made by the Beneficiary firm is from indigenous sources.</p> <p>Levy of penalty/ damages on the Beneficiary firm in such a scenario may be unjust and damaging to efforts of such firm to set up a unit for manufacture of ACC eligible under the scheme.</p> <p>It would be important to understand the manner for computing value addition at the end of 2 years in absence of sale of ACC by the Beneficiary firm within such period. We also suggest to consider extending the timeline to achieve 25% Value Addition condition to Q1 of Year 3 in such cases without any implication of penalties or damages. for the Beneficiary Firm to achieve relevant milestones/ obligations defined under the Agreement and thereby receive the subsidy thereunder without any damages or penalty.</p>	
176.	<p>Document: Programme Agreement</p> <p>Clause: 8.2</p> <p>Query: Computation of deduction due to shortfall in committed production capacity</p>	Please refer to Addendum – 1.

As per Clause 8.2 of the Programme Agreement, the Government shall have the right to deduct a specified amount from the subsidy payable for a particular period, in case the Beneficiary Firm is not able to meet the production capacity committed for such period.

In the illustration describing the manner of computing the above deduction, the term 'production/ sale' has been used with respect to committed capacity.

Clarification is being sought to understand whether the shortfall would be computed with respect to the capacity produced or sold.

Based on perusal of the specified clause along with other relevant clauses in the Agreement, it is understood that shortfall in achieving committed capacity should be measured with respect to production and not sale. It should also be noted that in the Technical Bid, the Bidder is required to commit production/ installed capacity for the period under the Scheme and not capacity to be sold during the same period.

Accordingly, it is suggested to clarify that the shortfall in committed capacity would be computed with reference to the Capacity installed and not sold or produced during a particular period.

Illustration

If it is assumed that the Beneficiary firm has committed capacity of 3 GWh within Quarter 1 of Year 3. As per actuals, within the said period, the Beneficiary firm is able to achieve installed capacity of 2.5 GWh and sell ACC cumulating to 2 GWh.

In the above scenario, deduction under clause 8.2 of the Agreement should be computed for the difference between the committed capacity by Quarter 1 of Year 3 (i.e. 3 GWh) and installed capacity achieved within the same period (i.e. 2.5 GWh). The quantity of ACC sold within such period should not impact the calculation of deduction in the instant case.

	Scenario	Capacity			Damages Applicable
		Committed	Installed	Production /Sale	
	Year 3, Q1	3	3	2	NO
	Year 3, Q1	3	2.5	2	Yes as per clause 8.2
177.	<p>Document: Programme Agreement</p> <p>Clause: 6.2.7, 6.3, 8.2, 8.3 and 11.9.3</p> <p>Query: Overall ceiling on damages/ penalties to be recovered under the Agreement</p> <p>As per Clause 8.3 of the Programme Agreement, the Government shall have the right to recover damages from the Beneficiary Firm in case it is not able to achieve the Value Addition as committed in its Technical Bid.</p> <p>Separately, as per clause 6.2.6 and 6.2.7 of the Programme Agreement, if the Beneficiary Firm is not able to achieve the Milestone certificates, then it shall pay liquidated damages as per the formulae specified in the said clause.</p> <p>Further, as per Clause 6.3, failure to achieve Milestone may also entail forfeiture of future subsidies and appropriation of performance security deposited by the Beneficiary Firm.</p> <p>In addition to the above, as per para 11.9.3, in case the subsidy as per partial cycle life test is less than the subsidy as per the complete cycle life test, the Government shall subtract a penalty equal to the differential amount of such subsidy.</p> <p>Clarification is sought to understand that whether the above damages/ forfeitures are limited to certain amount or not.</p>				Standard bid condition prevails.

	<p>On perusal of the specified clauses, it appears that there is no ceiling on the amount of damages, deduction or forfeiture which can be initiated due to defaults called out thereunder.</p> <p>Such punitive measures may be unfavourable to the overall theme of the PLI scheme to reward the manufacturers who are investing to manufacture ACC batteries in India and may increase their apprehensions while estimating commitments to be made under the Scheme. Such unlimited damages, penalties or forfeiture on the Beneficiary firm may be more concerning in the current situation given that the current manufacturing ecosystem of ACC in India is not mature and the performance of the Beneficiary firm is dependent on various uncontrollable factors like availability of raw material etc, demand of ACC in future etc.</p> <p>Accordingly, appropriate clarification should be issued to the effect that all damages, penalty and forfeitures under the Programme agreement would be limited to the amount of performance security made by the Beneficiary Firm under the Agreement.</p>	
178.	<p>Document: Programme Agreement</p> <p>Clause: 11.9.3 and Schedule G</p> <p>Query: Penalty in case applicable performance of ACC is below the eligible parameters under the Scheme</p> <p>Schedule G to the Programme Agreement prescribes the eligible performance parameters of the ACC for qualifying under the Scheme.</p> <p>In relation to the above, as per Clause 11.9.3 of the Agreement, if the subsidy as per complete cycle life test is lower than the subsidy received by Beneficiary Firm, the differential amount would be adjusted from subsidy payable for subsequent period.</p>	Standard bid condition prevails.

Clarity is required on the amount of penalty if the performance of ACC per the cycle life test is below the eligible performance parameters prescribed in Schedule G of the Agreement.

It is suggested to clarify that in case the ACC manufactured by the Beneficiary firm under the Scheme is below any of the eligible performance parameters prescribed in Schedule G to the Agreement, then the penalty would be limited to amount of subsidy received by the Beneficiary Firm till such date.

Illustration

For instance, consider the bidder has quoted " ≥ 200 Wh/kg & ≥ 2000 cycles". So in the process of life cycle testing, if the test fails (for both set of samples) and the performance is below the lower minimum threshold positions, please clarify on the following:

- a. What would be the impact on subsidy received by the Beneficiary Firm up to the Complete cycle life test
- b. Whether any penalty would apply in excess of the differential amount in a scenario where subsidy as per complete cycle life test is lower than subsidy as per partial cycle life test
- c. What is the manner or periodicity in which the penalty amount would be recovered from the Beneficiary firm

Below illustration can be referred for ease of understanding:

	Cycles	Say A=1000	Energy density (Wh/Kg)					Subsidy	Remarks
			≥ 50	≥ 125	≥ 200	≥ 275	≥ 350		
		≥ 1000			A	A*(1.2)	A*(1.2^2)		
	Committed	≥ 2000			200				
	Case- 1: Achieved	2100			200			1000	Clear
	Case- 2: Achieved	2100				275		1200	Get 'extra '200'
	Case- 3: Achieved	1500			200			0	A. what happen to already received 1000 2. Is there any penalty in this case 3. Subsidy eligibility going forward
179.	<p>Document: Programme Agreement</p> <p>Clause 6.2.6 and 6.2.7</p> <p>Query: Manner of recovering liquidated damages</p> <p>Clause 6.2.6 and 6.2.7 specifies events when the Beneficiary firm may be required to pay liquidated damages of a specified amount.</p> <p>Clarification is being sought to understand the manner in which such damages would be recovered from the Beneficiary firm.</p> <p>The specified clauses in the Agreement do not specify the manner in which the liquidated damages would be recovered from the Beneficiary firm i.e., whether such damages would be recovered as cash or would be adjusted from performance security or subsidy receivable for the corresponding period etc.</p> <p>It is suggested to clarify that such damages would be recovery through subsidy receivable for the corresponding period or the liquidated damages. It is also suggested to specify that liquidated damages would be limited to the amount of performance security paid by the Beneficiary firm.</p>								Standard bid condition prevails.

180.	<p>Document: Programme Agreement</p> <p>Clause: 16.1.1(b)</p> <p>Query: Event leading to appropriation of Performance Security under Clause 7.2 of the Programme Agreement</p> <p>As per clause 7.2 of the Programme Agreement, the Government shall be entitled to encash the performance security of the Beneficiary Firm on occurrence of Beneficiary Firm Event of Default.</p> <p>Further, as per clause 7.3, upon appropriation of performance security under above clause, the beneficiary firm should replenish the performance security with 15 days thereof and thereafter should have additional period of 90 days to cure the event of default.</p> <p>In relation to the above, Clause 16 of the Programme Agreement stipulates the events which shall be regarded as Beneficiary Firm Event of Default under the Agreement. The said clause inter alia includes following events:</p> <p>“(b) the Performance Security or any part thereof has been encashed and appropriated in accordance with Clause 7.2 and the Beneficiary Firm fails to replenish or provide fresh Performance Security within 15 (fifteen) days, or subsequent to the replenishment or furnishing of fresh Performance Security in accordance with Clause 7.2, the Beneficiary Firm fails to cure, within a cure period of 120 (one hundred and twenty) days, the Beneficiary Firm Event of Default for which whole or part of the Performance Security was appropriated.”</p> <p>As per the above clause, it appears that the Event of Default would occur if the Beneficiary Firm fails to cure the Event of Default within 120 days from the event for which the performance security was appropriated.</p>	Please refer to Addendum – 1.
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	<p>Clarification is sought to understand the manner in which Event of Default would be determined under the clause highlighted above.</p> <p>On perusal of clause 16.1.1.(b) of the Programme Agreement, it appears that the Beneficiary Firm may be penalised for the same default every 120 days from the event unless the default is rectified/ cured.</p> <p>Appropriate clarification should be issued to avoid unintended dispute on appropriation of Performance Security in case of event described under clause 16.1.1.(b) of the Programme Agreement read with clause 7.3 of the Agreement i.e. whether the period to cure the default is 90 days as per clause 7.3 or 120 days as per clause 16.1.1.(b) of the Agreement.</p> <p>Also, we request you to consider capping the appropriation in case of Beneficiary Firm Event of Default to the amount of Performance Security.</p> <p>Where the amount of Performance Security is exhausted through appropriation under Clause 16, the Government may exercise its other rights under the Agreement including the right to terminate the agreement under Clause 16.2 instead of asking the Beneficiary Firm to replenish the security amount and continue to appropriate the same.</p>	
181.	<p>Document: Programme Agreement</p> <p>Clause: 6.2, 6.3 and 7.2</p> <p>Query: Appropriation of Performance Security vis-à-vis Value Addition to be achieved under the Agreement at the end of 5 years from the Appointed date</p> <p>As per clause 7.2.1, upon occurrence of Beneficiary Firm Event of Default, the Government shall be entitled to encash and appropriate Performance security.</p> <p>Beneficiary Firm Event of Default defined in Clause 16.1 inter alia includes breach of any other obligations under the Agreement. In this regard, Obligations of the Beneficiary firm has been specified in clause 6.2 of the Agreement.</p>	Standard bid condition prevails.

As per clause 6.2 of the Agreement, with respect to Value Addition to be achieved at the end of 5 years from Appointed date, Beneficiary Firm Event of Default may inter alia be triggered if any of the following conditions are not satisfied:

(i) Value Addition of 60% is not achieved within 5 years from the Appointed date (Clause 6.2.4)

(ii) Overall Value Addition is not achieved within 5 years from the date (Clause 6.2.7)

In addition to the above, as per Clause 6.3 of the Agreement, Performance Security may also be appropriated if the Beneficiary Firm is not able to achieve 'Milestones' in accordance with the agreement which inter alia mandates to achieve 60% of Overall Value Addition within 5 years from Appointed date.

Clarification is sought to understand the event, related to Value addition to be achieved at the end of 5 years from the Appointed Date, under which the Performance Security of the Beneficiary Firm can be appropriated.

On perusal of the clauses, it appears that multiple levels of Value Addition have been mandated in the Agreement to be achieved by the Beneficiary firm at the end of 5 years from the Appointed date.

Given that non fulfilment of any one of the Value Addition targets may lead to negative consequences for the Beneficiary Firm (like appropriation of Performance security, termination of agreement etc), it is suggested to align Value Addition limits prescribed in various clauses to be achieved at the end of 5 years from the Appointed date for avoiding any implications under the agreement. This would help to mitigate risk of disputes in course of the Scheme.

It is further suggested that, with respect to value addition, appropriation of performance security and levy of liquidated damages should only be triggered if the Beneficiary firm is not able to achieve the 60% Value addition condition by the end of 5 years from the Appointed date.

	<p>Illustration</p> <p>Assume that, in the Technical bid, the Beneficiary Firm had committed to achieve a Value Addition of 70% within 5 years from the Appointed date. In this scenario, it is assumed that the firm has been able to achieve 65% by end of 5 years.</p> <p>In the above scenario, liquidated damages under clause 6.2.7 or appropriation of performance security under clause 7.2 read with clause 16.2 of the Agreement should not be triggered since the firm has been able to achieve 60% value addition with 5 years although it has not been able to meet the committed value addition within such period. Other damages under clause 8.3 of the Agreement may be levied on the Beneficiary firm for not meeting such committed value addition.</p>	
182.	<p>Document: Programme Agreement</p> <p>Clause: 16.1.1.(b) and 16.2.1</p> <p>Query: Termination under Clause 16.2 of Programme Agreement</p> <p>As per clause 16.2 of Article 16 to the Programme Agreement, the Government may initiate termination of the Agreement in case the Event of Default is not remedied by the Beneficiary firm for continuous period of 60 days after receipt of default notice.</p> <p>At the same time, clause 16.1.1.(b) allows the Beneficiary Firm 120 days from the Event of Default to take curative measures.</p> <p>Clarification is sought to understand the timeline within which the Government can initiate termination of the agreement in light of the above 2 clauses of the Programme Agreement.</p>	Please refer to Addendum – 1.

	<p>Appropriate clarification should be issued to align the time period available with the Beneficiary firm to take curative measures for avoiding termination of the agreement.</p>	
183.	<p>Document: Programme Agreement</p> <p>Clause: 16.2.2</p> <p>Query: Implication of termination of Programme Agreement under Clause 16.2.2 on subsidy received by the Beneficiary Firm</p> <p>As per clause 16.2.2 of the Programme Agreement, if the Beneficiary Firm is not able to remedy the Event of Default within the specified timeline, the Government may terminate the agreement and in such a scenario said Beneficiary Firm would not be entitled to receive any subsidy from the Government.</p> <p>Clarification is sought to understand that in the above event, could the Beneficiary firm be required to refund the subsidy received till the date of such termination of Agreement.</p> <p>It is requested to clarify that termination of Agreement under clause 16.2.2 of the Programme agreement should not impact the subsidy earned by the Beneficiary firm till the date of such termination since such subsidy were earned after fulfilling applicable conditions prescribed under the Agreement in relation to the respective claim period.</p>	Standard bid condition prevails.
184.	<p>Document: Programme Agreement</p> <p>Clause: 16.2 and 6.2.7</p> <p>Query: Termination of agreement under Clause 16.2 of the Programme Agreement</p> <p>As per Clause 16.2, upon occurrence of Beneficiary Firm Event of Default for continuous period of 60 days, the Government may deliver a default notice calling</p>	Please refer to Addendum – 1.

upon the Beneficiary Firm to remedy the default. If the Beneficiary Firm fails to remedy the default in the next 30 days, the Government shall have the right to terminate the Programme Agreement and take other appropriate action.

In relation to the above, it may be noted that one of the Event of Default under Clause 16.1 of the Programme agreement includes breach of any other obligations under this Agreement.

In this regard, obligations of the Beneficiary firm are outlined in clause 6.2 of the Programme Agreement which, at clause 6.2.7, include requirement to achieve 'Committed Capacity and overall Value Addition at the Mother Unit level within 5 (five) years from the Appointed Date'.

The said clause further stipulates that if the prescribed obligation is not achieved for continuous 6 quarters, then the Government shall have the right to terminate the agreement.

In light of the above, it appears that though as per clause 16.2, the Beneficiary Firm should have should be allowed 90 days to rectify the default, at the same time the Government has the right to terminate the agreement immediately after completion of 6 quarters under clause 6.2.7.

Clarification is required to understand the timeline available with the Beneficiary firm to rectify the default before the agreement can be terminated.

On perusal of the specified clauses, it appears that there is inconsistency in relation to period after which the Government may terminate the agreement in a situation the beneficiary breaches the obligation under clause 6.2.7 of the Programme Agreement.

In order to remove the ambiguity, it is recommended that failure to achieve conditions specified in Clause 6.2.7 for period exceeding 18 months from the specified date may be termed as "Beneficiary Firm Event of Default" under Clause

	<p>16.1.1 and necessary actions for such default may be initiated as per Clause 16.2 of the Agreement.</p> <p>Any termination under the said clause should be initiated after the Beneficiary firm has exhausted the curative period of 90 days provided in clause 16.2 of the Agreement.</p>	
185.	<p>Document: Programme Agreement</p> <p>Clause: Clause 3 of Schedule E</p> <p>Query: Definition of the term ‘Manufacturing’</p> <p>As per clause 3 of Schedule E to the Program Agreement, the term ‘Manufacture’ has been defined to mean the following:</p> <p>The term “manufacture” may mean processing of raw-material or inputs in any manner that results in emergence of new product having a distinct name, character, and use. In other words, to meet the qualifying criteria for the incentives, the Advance Chemistry Cell should be manufactured in India and have such percentage of localization as may be notified from time to time.</p> <p>Reference to the term “manufacture” may be drawn from Section 2(72) of Central Goods and Service Tax Act 2017. It is unclear as to what would the term ‘Localisation’ used in the above definition mean? Further, since the value addition is already committed in the bid, whether localisation percentage will have to be monitored separately.</p> <p>Since one of the criteria for awarding the bid to the Beneficiary Firm would be based on their committed value addition, in as long as the Firm is able to achieve the same, there should be no separate requirement for localisation.</p>	Please refer to Addendum – 1.

186.	<p>Document: Programme Agreement</p> <p>Clause: 1.1 and 6.2.6</p> <p>Query: Definition of 'Milestone 1' under the Programme Agreement</p> <p>As per Clause 1.1 of the Agreement Milestone 1 has been defined to mean achievement by the Beneficiary Firm (within 2 years from the Appointed date) of: (a) Investment of INR 225,00,00,000 per GWh (excluding the cost of land) for the Committed Capacity specified by the bidder; and (b) 25% Value Addition of the Advance Chemistry Cell.</p> <p>In addition to the above, as per Clause 6.2.6 of the Agreement, if the Beneficiary Firm is not able to achieve Milestone 1 within the specified time limit, it should be liable to pay liquidated damages and such failure may also lead to termination of agreement after due notice.</p> <p>Clarification is being sought with respect to investment required to be made within the specified time limit i.e., whether the investment threshold would be computed based on overall capacity committed by the bidder in its technical bid or Capacity committed for the period up to 2 years from Appointed Date.</p> <p>In light of the implications on Beneficiary Firm if the Milestone 1 is not received within the specified time, it is pertinent to clarify the meaning of the term 'Committed Capacity' with respect to such Milestone.</p> <p>Given that Beneficiary Firm may be allocated capacity up to 20 GWh, mandating investment for the entire capacity @ 225,00,00,000 per GWh within 2 years may negatively impact the Beneficiary Firm and such investment may also not commensurate with the plan of scaling production capacity by such Firm which is entirely based on expected demand of PLI grade batteries within such period.</p> <p>Accordingly, it is suggested that the investment criteria in the definition of 'Milestone 1' should be computed based on capacity committed by the Bidder for</p>	<p>Please refer to Addendum – 1. Milestone 1 shall be investment corresponding to committed capacity at the end of 2nd year.</p>
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the period up to 2 years from the Appointed date and not on the entire capacity committed by him in the Technical Bid.

Year	Committed capacity as per Technical Bid	Annual investment to be made @ INR 225 crores per GWh (in INR crores)
1	0	0
2	2	450
3	3	675
4	6	1350
5	9	2025
Total	20	4500
Minimum investment under Milestone 1 should be INR INR 450 crores (i.e. with respect to committed capacity for Year 2) and not INR 4,500 crore i.e. with respect to entire capacity of 20 GWh		

187.

Document: Programme Agreement

Clause: 1.1 and 6.2.4

Query: Definition of 'Milestone 2' under the Programme Agreement

As per Clause 1.1 of the Agreement Milestone 2 has been defined to mean completion of 60% of the overall Value Addition within 5 years from the Appointed Date.

The term Overall Value Addition has not been defined under the Agreement. Based on conjoint reading of the said term used in various clauses of the Agreement including the formulae mentioned under Clause 7.1 to compute amount of Performance Security to be provided by the Beneficiary Firm, it appears that Overall Value Addition should mean the value addition committed by the Beneficiary Firm.

Further, the subject of 'Milestone 2 Completion Certificate' format produced at page 88 of the Programme Agreement, mentions 'Issuance of Milestone 2 Completion

Standard bid condition prevails.

	<p>Certificate for the achievement of overall Value Addition within five years from the Appointed Date'</p> <p>Clarification is being sought to understand whether 'Milestone 2' mandates achieving '60% of overall value addition' or 60% Value addition or Overall Value Addition by the Beneficiary firm within the specified time limit.</p> <p>As per the definition of 'Milestone 2', it appears that the Beneficiary firm is mandated to achieve 60% of the committed Value addition within 5 years from the Appointed date. At the same time, on perusal of Milestone 2 Completion Certificate, it appears that the certificate certifies achievement of overall value addition committed by the Beneficiary Firm.</p> <p>At this point, it may also be noted that as per Clause 6.2.4, the Beneficiary firm is also obligated to achieve value addition of not less than 60% within 5 years from the appointed date.</p> <p>On conjoint reading of both the above clauses, it appears that 'Milestone 2' may not get triggered unless the Beneficiary Firm commits to achieve 100% value addition within the specified period which does not seem to be possible or practical given the current and expected availability of raw materials/ components required for manufacture of ACC in the country.</p> <p>Accordingly, it is suggested that definition of Milestone 2 and obligation under Clause 6.2.4 should be amended and aligned appropriately to avoid any disputes being raised in future in this regard.</p>	
188.	<p>Document: Programme Agreement</p> <p>Clause: 1.1, 1.3.3 and Schedule G</p> <p>Query: Definition of the term 'Committed Capacity' in the Programme Agreement</p>	Please refer to Addendum – 1.

As per clause 1.1 of the Agreement, the terms 'Committed Capacity' has been defined to mean production capacity allocated to the Beneficiary Firm by the Government, subject to selection under the RFP.

The term 'production capacity' has not been defined in the agreement.

Clarity is required on whether the term 'production capacity' relates to quantum of ACC produced by Beneficiary firm during a particular period or capacity installed by the Beneficiary Firm for production of ACC.

The term 'Committed Capacity' impacts various benefits, obligations and damages which are accrued by the Beneficiary Firm under the Scheme and the Programme Agreement like Ranking under the bidding process, minimum investment to be made with 2 years from the Appointed date, capacity to be achieved within 5 years, deduction from subsidy or appropriation of performance security in case of default with respect to committed capacity etc.

Given the above, it is apparent that definition of the term 'production capacity' (being a critical term in the definition of 'Committed capacity' provided in the Agreement) is very significant to assess various rights an obligation of the Beneficiary firm under the Scheme and the agreement.

It is suggested to define the term 'production capacity' to mean capacity installed by the Beneficiary Firm for production of ACC under the Scheme. In case the term 'production capacity' is clarified to mean produced capacity and not installed capacity, then it is suggested to compare the committed capacity with achieved capacity on a annual basis and not quarterly basis. Reference may be made to Illustration below for each of understanding.

Illustration

Assume that, in the Technical bid, a Beneficiary firm had committed to achieve capacity of 3 GWh by Quarter 2 of Year 3 and 4 GWh by Quarter 4 of Year 3.

	<p>As per actuals, the Beneficiary firm was able to achieve 2.5 GWh and 4 GWh by Quarter 2 and Quarter 4 of Year 3, respectively. In the above scenario, it should be considered that the Beneficiary firm has achieved the committed capacity as per Technical bid although the firm was not able to meet the commitment made for Quarter 2 of Year 3. Accordingly, no damages should be imposed on the firm under the Agreement.</p>	
189.	<p>Document: Programme Agreement</p> <p>Clause: 1.1, 3(1)(a) and 12.3</p> <p>Query: Certificate required for completion of 'Milestone 1' and 'Milestone 2'</p> <p>As per Clause 12.3 of the Programme Agreement, the Beneficiary Firm is required to obtain certificate from the Independent Engineer regarding completion of each of the Milestone stipulated in the Agreement.</p> <p>As per the definition in Clause 1.1, 'Milestone 1' prescribes certain conditions to be satisfied at the end of Year 2 and 'Milestone 2' prescribes certain conditions to be satisfied at the end of year 5 from the Appointed Date.</p> <p>Separately in clause 12.3, it has been clarified that the Milestones referred to in this Clause 12.3 shall include the Investment specified in Clause 3.1(a) of the Agreement and the phased capacity fulfilment by the Beneficiary Firm, as specified in the Bid.</p> <p>Given that the commitment of investment and capacity would be fulfilled by the Beneficiary Firm in each quarter during the period of 5 years from the Appointed date, clarification is required on whether Milestone certificate would need to be issued or updated in each quarter based on achievement of investment and capacity commitments by the Beneficiary Firm.</p>	Standard bid condition prevails.

	<p>As per Clause 12.3 of the Agreement, Beneficiary Firm shall not be entitled to receive any Subsidy, till the issuance of the corresponding Milestone Completion Certificate is issued by the Independent Engineer.</p> <p>Given the above, it is pertinent to clarify the periodicity in which the specified Milestone completion certificate would need to be procured/ updated by the Beneficiary Firm from the Independent Engineer.</p> <p>Procuring such certificate in each quarter would be a time- consuming process and the same should not be prescribed given that the Agreement already has adequate provision (like penalty/ damages, deduction etc) to ensure that the Beneficiary Firm achieves the commitments made in the technical bid.</p> <p>Accordingly, in line with the definition of 'Milestone 1' and 'Milestone 2' in the agreement and to simplify the subsidy claim disbursement process, it is suggested that the completion certificates should only be required to be issued at the end of Year 2 and Year 5 wherein past performance of the Beneficiary in the intermittent period could also be verified by the Independent Engineer.</p>	
190.	<p>Document: Programme Agreement</p> <p>Clause: Schedule – D: Clause 1.4 and Schedule – G and Article 12</p> <p>Query: Partial and Complete Cycle Life testing</p> <p>We need to get clarity on cycle life testing which is based on “partial cycle life test protocol”, related to 50 % of the number of cycles specified by the bidder (Schedule – D: Clause 1.4.2) in-order to meet the requirement of the Milestone 1 & 2 (Article 12).</p> <p>Let us assume that we have bid for “ ≥200 Wh/kg & ≥4000 cycles”. As per the program document, cycle life testing up to 50% of total no of cycles has to be tested practically (partial life cycle protocol) to commence the subsidy . , the testing has to be performed at 0.5C charging and 0.5C discharging with 80% DoD respectively</p>	Standard bid condition prevails.

	<p>at ambient temperature. The following example is given by considering the same criteria:</p> <p>Illustration: take scenario of 4000 Cycles For Example;</p> <p>Estimated time for charging and discharging for 1 cycle @ 0.5 C, (A) = 4 hrs 50 % of the capacity (B) = 2000 cycles Estimated Time for completion of 2000 cycles, (A x B) = 8000 hrs = 333 days</p> <p>Considering that partial cycle life tests, i.e., 50% of total no of cycles, may take substantial time extending to a year, these timelines can lead to delay in getting the eligible subsidy. Hence, it is recommended to commence subsidy disbursement to the Beneficiary firm based on test for initial 400 cycles.</p> <p>The result of above test can be extrapolated to demonstrate the partial cycle life test for 50% of the total cycle life and complete cycle life test.</p> <p>Incentive based on test of initial 400 cycle can be provisional and compared with subsequent partial and complete cycle life test for appropriate action. Further, Independent Engineer may review these tests in due course.</p>	
191.	<p>Document: Programme Agreement</p> <p>Clause: 11.1.1 read with Schedule D and Schedule E</p> <p>Query: Disbursement of Subsidy vis-à-vis a partial life cycle test certificate</p> <p>As per 11.1.1 read with Schedule D to the Programme Agreement, the Beneficiary Firm is required to get the partial life cycle test of the ACC through an independent testing agency empanelled by the programme administrator. This is to be followed by Complete cycle life test.</p> <p>Further, as per para 1.4.2 of Schedule D, partial cycle life test to be performed for 50% of the number of cycles mentioned by the manufacturers. On conjoint reading</p>	Standard bid condition prevails.

	<p>of various clauses of the agreement (viz clause 11.1.1, para 3(i)(viii) of Schedule E and para 1.1.1 and 1.1.2 of Schedule D to the Agreement, it is understood that performance of partial cycle life testing is a pre-condition to disbursement of subsidy by the Government to the Beneficiary Firm.</p> <p>At this point it should be noted that based on the testing standards prescribed in Schedule D, it may take up to 6 to 9 months to test per 1000 cycle life of an ACC.</p> <p>Given the above, for a Beneficiary firm committing to manufacturer ACC with 2000 or 4000 complete cycle life, the partial cycle life testing of such ACC could take 6 to 9 month or 1 to 1.5 years, respectively.</p> <p>Given the estimated time period required to perform the cycle life test, precondition to complete Partial cycle life test for disbursement of subsidy under the Scheme, may lead to substantial delay in receipt of subsidy which may not be in favour of the interest of the Beneficiary Firm.</p> <p>Suggestion in this case will be same as provided for point no 22.</p>	
192.	<p>Document: Programme Agreement</p> <p>Clause: 11.7 and 11.8</p> <p>Query: Limitation to subsidy receivable under the Agreement</p> <p>As per clause 11.7 of the Agreement the Subsidy payable by the Government shall in no event exceed 20% of the sale price of the ACC i.e., the effective total turnover on account of sale of ACC manufactured and sold by the Beneficiary Firm during the Term of this Agreement.</p> <p>Further, clause 11.3 stipulates that cumulative Subsidy payable by the Government to the Beneficiary Firm during the Term of this Agreement, shall not exceed INR 362,00,00,000 per GWh.</p>	Standard bid condition prevails.

	<p>Clarification is required with respect to the manner of computing such limitation and comparison of the same with subsidy receivable by the Beneficiary firm.</p> <p>It is understood that as per the specified clauses of the Agreement, subsidy receivable by the Beneficiary firm would be limited to the lower of the amount to be calculated as per Clause 11.7 and 11.8.</p> <p>Following clarification is required in this regard:</p> <p>(i) Whether the limitation under clause 11.8 (i.e. INR 362 crore per GWh) is to be calculated with reference to ACC produced or sold?</p> <p>(ii) When is the limitation under clause 11.7 and 11.8 is required to be applied i.e. whether such limitation would apply every quarter or every year or at the end of 5 years from the Appointed date.</p>	
193.	<p>Document: RFP</p> <p>Clause: 2.2.9 (f)</p> <p>Document Text: Members of the Consortium shall enter into a binding Joint Bidding Agreement The Jt. Bidding Agreement, to be submitted along with the Application, shall, <i>inter alia</i>;</p> <ul style="list-style-type: none"> convey the intent to form an SPV with shareholding/ ownership equity commitment(s) in accordance with this RFP, which would enter into the Programme Agreement <p>Query: It seems that selected bidder can incorporate the SPV only after grant of letter of award i.e., Feb 2022. Those Companies who are willing to setup the ACC Factories, will get impacted in their operations without winning the PLI. That is to say, the Companies who are aspiring to be under with OR without PLI to establish the ACC Factories, will be impacted on losing the PLI Bid.</p>	Standard bid condition prevails.

	<p>Therefore, the CP of creation of SPV only after the winning of PLI should be diluted. Further, the SPV company may also be allowed to initiate basic steps for land acquisition and other procedural aspects before being awarded the PLI contract. The actual land acquisition and construction thereof can however be done only after the Letter of Award from the Government. In case the date of letter of award is further postponed for any reason, then the incorporation of SPV will be further delayed.</p> <p>If so required, an undertaking on this behalf can be given by the bidder at the time of applying the PLI application.</p>	
194.	<p>Document: RFP</p> <p>Clause: 2.2.12</p> <p>Document Text: A Bidder <u>nor have had any contract terminated by any public entity</u> for breach by such Bidder or Consortium Member.</p> <p>Provided, however, that where a Bidder claim ... it may make a representation to this effect to the Government for <u>seeking a waiver from the disqualification</u></p> <p>Query: We would like to seek clarification on whom the application is to be moved, any specific timelines for moving the application, any format for moving the application etc.?</p> <p>Since this point may fall under the normal course of business for a relatively large manufacturing Company, it may be explored, if this requirement can be exempted?</p>	Standard bid condition prevails.
195.	<p>Document: RFP</p> <p>Clause: 2.2.14</p> <p>Document Text: While qualification is open to persons from any country, the following provisions shall apply:</p>	Standard bid condition prevails.

	<p>Where, on the date of the Bid, 25% (twenty-five per cent) or more of the aggregate issued, subscribed and paid-up equity share capital persons resident outside India or where a Bidder or its Member is controlled by persons resident outside India</p> <p>then the qualification of such Bidder shall be subject to approval of the Government</p> <p>Query: Government approval is required in case more than 25% of the equity is to be held by person resident outside India. We would like to seek clarification on procedure for seeking approval i.e., which authority to move, any timelines involved, any specific format in which the application is to be moved? Can the application be moved with the PLI application?</p>											
196.	<p>General Query: Is there any legal agreement is required to be in place with a potential tech partner along with Bidding documents.</p>	<p>Standard bid condition prevails.</p>										
197.	<p>General Query: Can the beneficiary firm convert a technology licensing agreement with partner to a Joint Venture, 3-4 years after the Appointed date?</p>	<p>Standard bid condition prevails.</p>										
198.	<p>Document: RFP</p> <p>Clause: 3.2.2</p> <p>Document Text: An illustrative example of ranking based on Value Addition and capacity phasing for two entities has been illustrated below:</p> <p>Table given in RFP</p> <table border="1" data-bbox="315 1193 1077 1366"> <thead> <tr> <th>Yr</th> <th>Qtr</th> <th>Weight</th> <th>Domestic Value Add% 70% weight</th> <th>Committed Capacity (GWh) 30% weight</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Yr	Qtr	Weight	Domestic Value Add% 70% weight	Committed Capacity (GWh) 30% weight						<p>Standard bid condition prevails.</p> <p>The definition of Committed capacity has been provided in the Addendum-1. For each quarter/year, the committed capacity is to be specified in the Technical bid and not incremental addition.</p>
Yr	Qtr	Weight	Domestic Value Add% 70% weight	Committed Capacity (GWh) 30% weight								

1	1	5		
1	2	5		
...	...			
5	3	1	60%	5
5	4	1	60%	5
	Total Score		Sum Product of weight & value addition %	Sum product of Weight & Committed capacity

Query: For technical bid, since the capacity has to be committed quarterly, is this annual production capacity apportioned quarterly or quarterly production planned?

For technical scoring, weightage for scaling up of manufacturing is given based on the incremental addition or cumulative capacity. (Earlier RFP mentioned incremental addition while this RFP mentions cumulative capacity)

Can committed capacity GWh be fractions/decimals for each quarter?

As Committed capacity and committed value addition % is only required up to 5 years from appointed date, will there be any penalty applicable after 5 years?

Example: output drops below 5GWh post 5th year or Value addition drops below 60% post 5th year.

199.

Document: RFP

Clause: 3.3.5

Document Text: The lowest quoted base Subsidy is benchmarked and given the maximum financial score of 100%.

Standard bid condition prevails. The subsidy benchmark shall be the respective amount that the bidders have quoted. The lowest bid is used only for

	<p>Query: There is one term used Benchmarked Amount in case of financial Bid. Clarity required on this terminology. For example, if INR 1500 is the lowest subsidy and get the highest score, all the selected bidders will get the INR 1500 only or whatever the subsidy amount they have quoted? Actual incentive is based on the incentive quoted?</p>	<p>the purpose of evaluating the Financial bid.</p>
200.	<p>Document: Programme Agreement</p> <p>Clause: 1.1</p> <p>Document Text: It is expressly clarified that Investment shall, for the purpose of the Programme Agreement, be limited to expenditure incurred by the Beneficiary Firm in respect of the Mother Unit on and from the Appointed Date.</p> <p>Query: Will any investment incurred by beneficiary firm prior to appointed date (such as payment to technology provider) be considered as investment made by the bidder to meet milestone requirements?</p> <p>Further, this clause is detrimental to the companies, which are at present at advance level discussions with the technology providers. Therefore, we would like to recommend here that the payment made by Selected Bidder to technology provider or any other payments which falls under the definition of investments before Letter of Award should also be considered as valid Investment under PLI Scheme.</p>	<p>Standard bid condition prevails.</p>
201.	<p>Document: Programme Agreement</p> <p>Clause: 6.2.6 and 6.2.7</p> <p>Document Text: The Beneficiary Firm agrees that it shall achieve the Committed Capacity and overall Value Addition at the Mother Unit level <u>within 5 (five) years from the Appointed Date</u>. In the event that the Beneficiary Firm does not achieve</p>	<p>Standard bid condition prevails.</p>

	<p>the Committed Capacity and overall Value Addition at the Mother Unit level <u>within the stipulated time period</u></p> <p>Query: Can milestone requirements be met in the last quarter, or should they be met for the entire preceding year?</p> <p>For example, should 60% domestic value addition be met in the last quarter of 5th year or for the entire duration of 5th year?</p>	
202.	<p>Document: Programme Agreement</p> <p>Clause: 6.3</p> <p>Document Text: The Parties agree that failure of Beneficiary Firm to achieve the Milestones in accordance with the provisions of this Agreement will entitle the Government to levy Damages, and the Government shall have the right including but not limited to:</p> <p>(a) forfeiture of the entire incentive, in which case the Beneficiary Firm shall not be entitled to receive any further amounts in the form of Subsidy; and</p> <p>(b) appropriation of the Performance Security.</p> <p>Query: In case of a milestone not being met, subsequent subsidy pay outs stops and appropriation of performance security penalty kicks in. Does Value addition and committed scale penalty also stop for subsequent quarters?</p> <p>Will subsidy pay outs restart if milestone requirements met within 18 months from the milestone lapse date?</p> <p>Will subsidy paid in years preceding milestone 2 have to be paid back to the government if milestone 2 requirements are not met?</p>	Standard bid condition prevails.
203.	<p>Document: Programme Agreement</p>	Standard bid condition prevails.

	<p>Clause: 8.1</p> <p>Document Text: The Beneficiary Firm shall establish the Project to manufacture Advance Chemistry Cell as per the Committed Capacity submitted by the selected bidder in its Bid, as detailed in Schedule - M.</p> <p>Query: Will cells not eligible for subsidy basis technology specifications be applicable for meeting committed capacity requirements?</p> <p>In case cells are bought and converted to pack and module. Will this production capacity be eligible for committed capacity requirements?</p>	
204.	<p>Document: Programme Agreement</p> <p>Clause: 8.1</p> <p>Document Text: If the Beneficiary Firm fails to achieve the Committed Capacity as specified in Schedule - M, the Government shall have the right to deduct from the Subsidy payable under Clause 11.1, 2 (two) times the Subsidy due and payable corresponding to the shortfall in the Committed Capacity.</p> <p>By way of illustration and for avoidance of doubt, the deduction in subsidy shall be computed as follows:</p> <p>If the Committed Capacity is 10 GWh, and the Beneficiary Firm achieves production / sale of 8 GWh, the Government shall deduct subsidy payable for 2* (10-8) = 4 GWh.</p> <p>The Beneficiary Firm would under such circumstance, be paid subsidy for (10-4) – 6 GWh of capacity, notwithstanding commissioning of 8 GWh</p> <p>Query: What will be considered for meeting committed capacity requirements? Total installed capacity or actual production or sale numbers</p>	Please refer to addendum-1

	<p>Will penalty amount be deducted from committed capacity subsidy or achieved production subsidy?</p> <p>What will effective subsidy be?</p> <p>1. $10-4= 6$ GWh</p> <p>Or</p> <p>2. $8-4= 4$ GWh</p>	
205.	<p>Document: Programme Agreement</p> <p>Clause: 8.3</p> <p>Document Text: Committed Value addition</p> <p>If the Beneficiary Firm commits 80% (eighty per cent) Value Addition in its Bid but only meets 70% (seventy per cent) at the end of the quarter, then there will be a retrenchment in the Subsidy paid by the Government.</p> <p>The retrenchment amount shall be Subsidy of 80% (eighty per cent) Value Addition (i.e., the Committed Value Addition) subtracted from Subsidy of 70% (seventy per cent) Value Addition (i.e., the actual Value Addition met by the Beneficiary Firm).</p> <p>This amount will be deducted from the Subsidy to be disbursed in the same quarter as way of Damages.</p> <p>Query: If committed value addition is 80% and beneficiary firm achieves 70%, then- :</p> <p>Retrenchment amount =</p> <p>Subsidy at 80%- Subsidy at 70%</p>	<p>The understanding is correct. Standard bid condition prevails.</p>

	<p>Thus, Net Subsidy= Subsidy (70%) - Retrenchment amount</p> <p>Is our understanding correct?</p>	
206.	<p>Document: Programme Agreement</p> <p>Clause: 8.</p> <p>Document Text: Committed capacity and Value addition penalty</p> <p>Query: Does the beneficiary firm need to pay damages to the government if net subsidy becomes negative after incorporating the respective penalties? Or will it be restricted to 0 pay out post penalty.</p> <p>For example-:</p> <p>If committed capacity is 10, and the Beneficiary Firm achieves production / sale of 2 GWh. Thus, will effective subsidy be $10 - 16 = -6$ GWh?</p> <p>If a beneficiary firm does not meet committed capacity for a given quarter but achieves the annual targets by increased production in subsequent quarters, then is the penalty amount adjusted for the entire year?</p>	Standard bid condition prevails.
207.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E-2</p> <p>Document Text: The amount of cash Subsidy to be distributed shall be linked to the following factors:</p> <p>(a) Capacity of Advance Chemistry Cell sold (per KWh basis); and</p> <p>(b) Value Addition within India of Advance Chemistry Cell produced.</p>	Standard bid condition prevails.

	<p>Query: Will subsidy be calculated on actual production capacity and value addition % if they are higher than the original commitment in the bid?</p> <p>Is there a cap on total subsidy pay out over and above commitment?</p> <p>For example, if committed capacity is 5 GWh and the Beneficiary Firm achieves production/ sale of 10 GWh.</p> <p>Then will subsidy be paid on 5 GWh or 10 GWh capacity?</p> <p>In case of multiple products, will value addition % have to be calculated for each individually or is it average of all products?</p> <p>For example,</p> <p>Cell 1 has 70% localization</p> <p>Cell 2 has 50% localization</p> <p>Will average of 60% be considered for meeting milestone requirements and calculating subsidy pay outs?</p>	
208.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E-3h</p> <p>Document Text: Additionally, where the Beneficiary Firm is also engaged in manufacture of battery packs and a Value Addition till the cell stage could not be determined</p> <p>For example, if the Value Addition at the battery level is x%, and <u>the fraction of battery pack in the total battery value produced is 34%, then the Value Addition at the cell level shall be $(x-34)/(100-34)\%$</u>. The Beneficiary Firms shall be submitting to the Government, <u>the information pertaining to the fraction of battery pack in the total battery value produced in India.</u></p>	MHI will release notification in due course of time.

	<p>Query: How is the fraction of battery pack in the total battery value produced calculated?</p>	
209.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E-3c</p> <p>Document Text: Value Addition% in respect of the Advance Chemistry Cell as per the following formulae:</p> <ul style="list-style-type: none"> • Sale value • Less: Cost of raw materials • Less: Cost of material whose source of origin cannot be ascertained (beyond prescribed threshold) • Less: Cost of fuel consumed, if eligible for GST input credit • Less: Expenses for royalty <p>Add: 'Actual value added by the indigenous manufacturers'</p> <p>Query: What does cost of fuel include? Does it also include power cost?</p> <p>In case of local raw materials, should we consider its cost of procurement (including RM cost) as actual value added by the indigenous manufacturers?</p>	Please refer to addendum-1
210.	<p>Document: Programme Agreement</p> <p>Clause: Schedule K</p> <p>Document Text: The construction period of the Project shall commence from the Appointed Date.</p>	Standard bid condition prevails.

	<p>Query: As per the RFQ, the construction period starts from the appointed date, which will come around Sept/Oct 2022. In case the above timeline is further pushed for whatever reason, then there will be further delay in construction activity. In case we are not qualified for PLI, then the entire schedule may be delayed for want of this clause.</p> <p>Can construction activity and land acquisition procedure be started after letter of award. i.e., Feb 2022 but prior to Appointed Date?</p>	
211.	<p>Document: Programme Agreement</p> <p>Clause: 14</p> <p>Document Text: Force Majeure</p> <p>Query: if market doesn't take off as projected, and infrastructure does not establish, it will have a huge impact on the selected bidder. Keeping this in mind we would recommend including these reasons also under the Force Majeure clause.</p>	Standard bid condition prevails.
212.	<p>Document: RFP</p> <p>Clause: 2.2.14</p> <p>Document Text: While qualification is open to persons from any country, the following provisions shall apply:</p> <p>(a) Where, on the date of the Bid, 25% (twenty-five per cent) or more of the aggregate issued, subscribed and paid-up equity share capital in a Bidder or its Member is held by persons resident outside India or where a Bidder or its Member is controlled by persons resident outside India; or</p> <p>(b) if at any subsequent stage after the date of the Bid, there is an acquisition of 25% (twenty-five per cent) or more of the aggregate issued, subscribed and paid-</p>	Standard bid condition prevails.

	<p>up equity share capital or control, by persons resident outside India, in or of the Bidder or its Member,</p> <p>then the qualification of such Bidder or in the event described in sub-clause (b) above, the continued qualification of the Bidder shall be subject to approval of the Government from national security and public interest perspective. The decision of the Government in this behalf shall be final and conclusive and binding on the Bidder.</p> <p>The holding or acquisition of equity or control, as above, shall include direct or indirect holding/ acquisition, including by transfer, of the direct or indirect legal or beneficial ownership or control, by persons acting for themselves or in concert and in determining such holding or acquisition, the Government shall be guided by the principles, precedents and definitions contained in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, or any substitute thereof, as in force on the date of such acquisition.</p> <p>The Bidder shall promptly inform the Government of any change in the shareholding, as above, and failure to do so shall render the Bidder liable for disqualification from the Bidding Process.</p> <p>Query: A company called Chloride Cascarn Limited, London, England holds more than 25% shareholding in Exide Industries Limited, India. Exide Industries Limited is an Indian Company which would like to Bid for ACC in PLI.</p> <p>In view of above fact of the case, please clarify whether Clause 2.2.14 of the RFQ is applicable to us or not, if applicable what should be the format and procedure for seeking approval from the Government.</p>	
213.	<p>General Query:</p> <p>Clarity required on the import duties.</p>	<p>Standard bid condition prevails.</p>

	<p>i). Possible for pilot storage projects from MOP and others in next two years. None of the giga factory can be operational during these stages because of the slight delay in ACC program launch. Hence there might be a chance of burdening Industry with import duties before factories get operational. Any support from DHI on this issue and coordination with Ministry of Finance</p> <p>ii). Will the Import duties shall be continued even after continuation of PLI Scheme? There shall be scaling difference in manufacturing capacities between India and Global progress because of the progressive plans in other countries. In this scenario, non-incentive benefits can be extended to the Industry beyond PLI.</p>	
214.	General Query: Are there any specific policies, DHI is planning/seeking for encouraging exports not just end products of ACC but also supply chain areas which can be supplied to other country Giga Factories.	Standard bid condition prevails.
215.	General Query: Apart from the Subsidy in the Sale side, clarity required if government is going to provide any other support like Land Acquisition, Electricity Duty waiver, etc.	Standard bid condition prevails.
216.	<p>Document: RFP</p> <p>Clause: 2.2.9 (f) (v)</p> <p>Document Text: Include a statement to the effect that all the Members of the Consortium shall be liable jointly and severally for all obligations of the SPV under the Programme Agreement.</p> <p>Query: It is clearly evident from the RFS that, when the members of Consortium are liable jointly and severally for all the obligations restricting the Consortium members on other eligibilities is not justified and needs to be clarified in the larger interest of the Scheme.</p>	Standard bid condition Prevails.

	<p>Further, the Lead Member shall be liable and responsible for ensuring the individual and collective commitment of each of the Members of Consortium in discharging all of their respective equity obligations. Each Member further undertakes to be individually liable for performance of its part of obligations without in any way limiting the scope of collective liability envisaged.</p> <p>It is pertinent to mention that under the PLI Scheme, IREDA has invited online applications from manufacturers for 'Selection of Manufacturers for Manufacturing Capacities for Higher Efficiency Solar PV Modules' on 25.05.2021, wherein the provisions mentioned above clearly mentioning the responsibilities of the members in a Consortium have been captured. In addition to the responsibilities the Joint Net worth of all the Parties of the Consortium have also been considered for evaluating Qualification criteria and hence we fail to understand the restriction laid out nor we understand the logic for this condition which if aligned to IREDA's PLI scheme would help in bringing in more participants as a Consortium bringing in competitiveness to the envisaged purpose.</p> <p>In this regard, we request your good office to kindly consider the Net worth of all the members of the Consortium together while evaluating the Qualification criteria as restricting the Qualification criteria only to the lead member of the Consortium defeats the very purpose of forming a Consortium limiting the competition which would not serve the objective of the PLI Scheme.</p> <p>Hence, we once again request your good offices to kindly allow the Consortium members to pool their combined Net worth to meet the qualification criteria of the tender.</p>	
217.	<p>Eldest would be setting up the cell manufacturing facility with nearly 100% indigenization. The chemistry and technology is fully indigenously developed. The entire machinery required for commercial production has been developed indigenously within India. And the best part is that the raw materials which would be used for manufacture of the cells would be more than 95% locally procured. We do not have any foreign collaboration and we intend to "Make in India", from the inception till the final product.</p>	Standard bid condition prevails.

	<p>The point which we want to make is that there is an additional consideration for indigenization in the document, but there is no separate consideration for a company like us which has developed the entire process from the start to finish, indigenously. We would humbly submit that there should be separate consideration for companies which are more than 90% indigenously in terms of chemistry, technology, machinery and raw materials, and a flat rate of subsidy should be allowed on sales of the cells by these companies without getting in various complicated calculations.</p>	
218.	<p>The document says that there should be a minimum net worth of Rs.225 crores per GWh of bid for the entities which are bidding. The clause has been put to gauge the capacity and seriousness of the bidder. But this clause also causes unnecessary complications because this new business of manufacturing cells would in all probabilities be in a separate arm of the main company, which may or may not have 50% or above equity share of the main company.</p> <p>It is natural that the arm would have been formed new and the required net worth may not be there in the new arm., but at the same time the arm would be supported by the main company whose net worth would be more than sufficient. In this case, it may be required that the bidder can be the new arm and the guarantee or any undertaking with regard to the net worth could be given by the main company. This arrangement would reduce the unnecessary exercise of forming a consortium and having a financial bidder and performance company etc., there is a possibility that this arrangement may create problems with other authorities in terms of various laws.</p> <p>The requirement is to have serious and capable players and the requirement could be easily met by the guarantee or undertaking given by the other corporate/company. If necessary a net worth criteria of about Rs. 25 Crores per GWh may be prescribed for the actual bidder (This net worth of Rs. 25 Crores should be the present net worth and not of the previous year because the company of the bidder may be fresh, without any previous track record) and the rest from the balance Rs 225 Crores can be provided by another established company on</p>	Please refer to Addendum – 1.

	<p>behalf of the bidder. This would eliminate unnecessary accounting, structuring and taxation problems and the companies would be able to focus on the main agenda of producing the cells.</p>	
219.	<p>There is a criteria of a minimum investment of Rs. 225 Crores per GWh. The number of Rs. 225 Crores has been arrived at based on the cost of the machinery., building and other requirements. Again this clause is to eliminate fringe and non serious players. But it should be noted that there is no requirement of an amount of Rs. 225 Crores to produce one GWh. The requirement of Rs. 22S Crores may be true for US or European companies, but it is surely not the requirement in India if the project is conceived in a proper manner. What would be the situation if a genuine player is able to produce the cells at cost of less than Rs. 225 Crores per GWh?, does the company have to manipulate its balance sheet to project a cost of Rs. 22S Crores per GWh, even if it has not incurred the cost?</p> <p>This criteria of a minimum investment of Rs. 225 Crores per GWh will not serve the required purpose, in fact there should be an incentive if a company is able to put up the facility at a lower cost, as the same would be better for our country, as the price of cells will become more affordable due to the lesser capital cost. A minimum criteria of investment may not necessarily ensure credible players, but will definitely cause companies to manipulate their balance sheets. If it is thought that the criteria is definitely required then the criteria can be between Rs. 50 Crores to 100 Crores per GWh, we are confident that a facility can be comfortably setup with a cost of less than Rs. 100 Crores for producing one Gwh of cells.</p>	Standard bid condition prevails
220.	<p>There is a steep penalty prescribed for under achieving the sales which has been bid by the bidder, being two times the incentive for the under achieved value and adjustment of performance guarantee. It may be appreciated that sales is not in anyone's control, there are various factors based on which sales may increase or decrease.</p> <p>Inspite of making the best cells, a company may not be able to achieve the required sales, if achieving sales was directly proportional to manufacturing capacity setup, then there would never be a loss making company. The document has considered</p>	Standard bid condition prevails

	<p>that there is more demand than supply of the cells due to which all the cells produced would be sold, this fact may not be entirely correct, it would take some time for the markets to mature and only then sales can be consistent.</p> <p>Sales may not happen due to various factors like Covid Pandemic, payment issues with the buyers, slack demand from the market and various other innumerable factors. It may not be fair to penalize the company for achieving lower sales, the objective of the PLI scheme is to ensure that production capacity is setup in our country for manufacturing the cells, hence the penalty could be on failure in setting up the installed capacity and not on sales.</p> <p>The point of concern could be the method to measure the production capacity, there are enough professional agencies which can measure the installed capacity and certify the same. The criteria should be the quality of cells and the installed production capacity and not the sales.</p> <p>If it is required that sales also have to be considered then, the condition could be that at least on one of the five years the company should have achieved the sale of the bid capacity, this along with the installed capacity certification will ensure that there the required production capacity has been setup. The current penalty of sales will encourage fake invoices, which will not be in the interest of our country.</p>	
221.	<p>The document seems to have assumed that production cannot start before 2 years from the completion of bidding process, this may not be entirely true, because a company like ours is ready for commercial production much before two years. In one place on the document, there are seven years (2 plus S) specified and in the technical bid document, there are only 5 years, hence if the production starts before two years, the same may not be considered as per the document. It is true that setting up the production facility and starting commercial production may take two years or to be fair may even take more time, but for a company like us, which is ready to go into commercial production much before two years, the two years clause may not be correct.</p>	Standard bid condition prevails

	<p>The subsidy should be considered for any year without any specification, with an upper limit of may be 7years, which would be more practical. It may also be clarified as to why the technical bid has only 5 years, does this 5 years refer to 2 years (for setup) plus 3 years (production)?</p> <p>If this is the case does it mean the production of year 6 and 7 will not be considered for the technical bid? Or the 5 years refer to the years of production itself which means year 1 of the technical bid would be 2024-25?</p>	
222.	<p>The subsidy is based on sales, but for an end to end integrated company like ours, we would be self- consuming the cells into making the battery packs and then manufacturing EVs or any other product from the batteries. In this case, since the manufacturing company has to be a SPV, it can manufacture the cells and sell the cells to its group company and sale of the SPV to it's group company would be considered for the subsidy. We seek clarification, with regard to sale to group company or subsidiaries or parent company, can there be any objection raised for sales to these companies?</p>	Standard bid condition prevails
223.	<p>The minimum eligibility criteria has been fixed at 5 GWh of production per year. Kindly clarify whether this criteria of 5 GWh of production is to be achieved from the 1st year and maintained or increased through the 5 years or is it that on the 1st year the production capacity can be less than 5 GWh and it should be ramped up to 5 GWh through the period of 5 years.</p> <p>In short kindly clarify if the minimum criteria of 5GWh is for production capacity per annum or production capacity for the entire cumulative 5 years?</p>	Standard bid condition prevails
224.	<p>Kindly clarify if the sale value of the cell is Rs. 100, and if the imported component value in the cell is Rs. 30, then there is a value addition of Rs. 70 on Rs. 30, which would be 233.33% value addition or is it Rs.70 on Rs. 100 which means 70% .</p> <p>Also there should be clarity with regard to the value of the imported product. If the company is purchasing the product from an Indian company and if that supplier company has imported the product, then the product may be considered imported, but in many cases, it would not be possible to find out, as to what could be the</p>	Standard bid condition prevails

	<p>content of imported product, when the product has been purchased from an Indian company. Also the product purchased from the Indian company may be fully indigenous, but at a given point of time, the supplier might have imported the product due to the shortage of the product in the domestic market or it might have got the imported product cheaper than the Indian product.</p> <p>The value addition criteria has to be clarified much more and if the production has been carried out in the initial months by use of domestic product, the same should be considered for value addition for all the years and if the product was imported at some point of time for various reasons, the same should not be considered for denying the value addition. Also, for value addition indigenous or imported technology or chemistry should be considered and the manufacturing machinery should also be considered and the value of the technology, chemistry and the imported machinery should be apportioned and deducted from the value addition as imported products.</p>	
225.	There is no reward for overachieving, the timelines, the production capacity, sales, performance of the cells etc. It would encourage the participants if over achieving is rewarded in a similar manner as the penalty levied on underachieving.	Standard bid condition prevails
226.	The eligibility matrix and the subsidy calculation matrix is complex and can lead to complications in terms of proposing the bid or in terms of claims etc. It would be a welcome move if the eligibility matrix and the subsidy matrix could be simplified with simplified approach and criteria.	Standard bid condition prevails
227.	In section 3.3.3 financial bid format, it has been mentioned that we will have to quote (A) for 2000 cycles with an energy density of 200Wh/kg. If our energy density is higher (say 275), then we will get $AX1.2$, or if our cycle life is above 4000 then we will get $A*(1.2^2)$ and so on. But there is no mention of this formula in the programme agreement, where the final subsidy amount calculation is provided. Please provide a brief explanation about the tabular column mentioned in section 3.3.3.	Standard bid condition prevails

228.	Intent of SPV: Section 2.2.9 mentions "A Selected Bidder shall form an appropriate Special Purpose Vehicle, incorporated under the Indian Companies Act, 2013. (the "SPV"), to implement the Project". Is the SPV allowed to conduct other businesses such as battery pack manufacturing, battery leasing, BMS design etc., or is it only allowed to conduct cell manufacturing and selling?	Standard bid condition prevails
229.	<p>Document mentions if the net worth is more than 1500 Crores, the bidder can participate for any capacity.</p> <p>A. Clarification required on the allowed net worth capacity is from the lead bidder or is it cumulative from the entire consortium partners. The reason for this query is because of the clause in the document which mentions all the respective associates net worth shall be considered while calculating the net worth.</p> <p>B. If the subsidiary company applies for the bid, will the net worth of parent company be considered for meeting the eligibility criteria?</p> <p>C. In case if parent company doesn't meet the net worth, will the cumulative net worth of associated companies shall be considered?</p> <p>D. Number of members allowed to be part of a consortium is missing in the document. Nov release RFP mentioned max as 3 members, current RFP has not mentioned this clause. So can the consortium consist of more than 3 members?</p> <p>E. Any special consideration for MSMEs?</p> <p>F. Any limitations on allowed FDIs or is 100% FDI is permitted?</p>	Standard bid condition prevails
230.	Clarity on the actual production capacity defined in the RFP. There are committed capacity, commissioned capacity and actual production capacity. There might be delay in all the stages in terms of these capacities due to various reasons such as technical issues, market signals etc. Right now, penalties are based on the actual production. Hence, Industry needs a clarity on the expectation if they are supposed	Standard bid condition prevails

	<p>to plan over investment and larger capacity factories. Please define committed capacity if it is the production capacity or the installed capacity, specially in terms of calculation of penalties. During interaction with DHI and NITIT Aayog, it was clearly mentioned previously that the market risk if demand uptake is not sufficient will not case penalties. Hence, tying penalties to sales is causing a major concern amongst potential bidders. We request you to consider typing capacity penalties to the installed production capacity as if the actual production is less, then the companies are already losing on the incentive amount despite investing full amount for building capacity.</p>	
231.	<p>Companies which are seriously committed on constructing Giga Factory, can the industries start constructing factory before signing the program agreement as the 2- year timeline for the production is very tight deadline considering the global manufacturing demand and expected delivery timelines as well as time required for stabilization of the manufacturing process post construction of the giga factory?</p> <p>As per the document, developer can incorporate the SPV only after grant of letter of award i.e. Feb 2022. We request to consider that industries should be allowed to incorporate the SPV at an earlier stage so that land acquisition and other approvals can be obtained.</p>	Standard bid condition prevails.
232.	<p>There is one term used Benchmarked Amount in case of financial Bid. Clarity required on this terminology. For example, if INR 1500 is the lowest subsidy and get the highest score, all the bidders will get the INR1500 only. Actual incentive is based on the incentive quoted?</p>	Standard bid condition Prevails. The subsidy benchmark shall be the respective amount that the bidders have quoted. The lowest bid is used only for the purpose of evaluating the Financial bid.
233.	<p>May please clarify the procedure to obtain Government approval in case, more than 25% of the equity is to be held by person resident outside India.</p>	Standard bid condition prevails.
234.	<p>Authorities would appreciate that this is a very niche technology and technology is to be availed from outside India. Though the definition of Investment includes cost</p>	Standard bid condition prevails

	<p>of technology and initial technology purchase related to goods required for the Advance Chemistry Cell manufacturing, however it is limited to expenditure incurred by the Beneficiary Firm in respect of the Mother Unit on and from the Appointed Date i.e. October 2022. This is detrimental to the companies who are at present at advance level discussions with the technology providers. Our recommendation is that the payment made by Bidder to technology provider should also be considered as a Investment under PLI Scheme.</p>	
235.	<p>Program Agreement mentions “the cumulative Subsidy payable by the Government to the Beneficiary Firm during the Term of this Agreement, shall not exceed INR 362,00,00,000 per GWh”. However, it may be noted that the incentive meant for higher performance cells based on per GWh basis may hit the cap even with the base incentive amount if the companies are bidding for full incentive structure. Original incentive structure meant to encourage companies that can manufacture higher performance cell should get 20 percent/ multiple of 20 percent higher incentives. Hence it is requested to relook into this clause to avoid disincentivising higher performance cells.</p>	Standard bid condition prevails.
236.	<p>As per the RFP, the Subsidy disbursement shall commence once the proposed Committed Capacity and Value Addition is achieved, and sale of the Advance Chemistry Cell begins. It shall be phased-out over a 5 (five) year window, payable quarterly, in accordance with the terms of the Programme Agreement. As per this clause subsidy disbursement will not commence until complete capacity is achieved. Subsidy shall commence based on the phasing committed. Hence it is requested to correct the definition of the committed capacity.</p>	Please refer to Addendum – 1.
237.	<p>Clarification required on selection criteria and calculation of Scores. Based on the Draft RFP released in Nov’2020, For technical scoring, weightage for scaling up of manufacturing is given based on the incremental addition whereas the current document mentions cumulative capacity.</p>	Standard bid condition Prevails.
238.	<p>In the document, the term called ACI used. However, nowhere in the document ACI was defined. Clarity is required on ACI definition.</p>	Standard bid condition Prevails.

239.	Clarity on the mechanism for testing methodology towards calculation of Cycle Life and other details. Can a provisional cycle life self-certification be used to ensure that incentive amounts are not with-held for long times till the actual testing is conducted, especially for cells with longer cycle life.	Standard bid condition prevails
240.	There has been a provision on partial testing and projected subsidy. The original document had mentioned about deduction of subsidy in cases of mismatch/reduction in cycle life. Adjustment based on actuals (higher or lower side) has been not clarified in the final document.	Standard bid condition Prevails
241.	<p>Clarity required on the import duties.</p> <p>(a) For initial energy storage projects from MOP and others in next two years, none of the giga factories will be operational during these stages because of the delay in ACC Battery PLI program launch. Hence there might be a chance of burdening Industry with import duties before factories get operational, which will give wrong demand signals to the investors. So we request that the import duties on cells should be linked to operationalization of the giga factories in India. Any support from DHI on this issue and coordination with Ministry of Finance will be appreciated.</p> <p>(b) Will the Import duties be continued even after continuation of PLI Scheme? There shall be scaling difference in manufacturing capacities between India and Global progress because of the progressive plans in other countries, which are at a scale of 5-10x of India's ACC PLI. In this scenario, non-incentive benefits can be extended to the Industry beyond PLI.</p>	Standard bid condition prevails
242.	Apart from the Subsidy in the Sale side, clarity required if government is going to provide any other support like Land Acquisition, Electricity Duty waiver, etc.	Standard bid condition prevails
243.	Are there any specific policies, DHI is planning/seeking for encouraging exports not just end products of ACC but also supply chain areas which can be supplied to other country Giga Factories.	Standard bid condition prevails

244.	<p>Document: RFP</p> <p>Clause: 2.3.3, Page 11</p> <p>Document Text: Qualification Criteria - Net Worth</p> <p>(i) In case the Bidder is not an AIF or Foreign Investment Fund: The Bidder shall have a minimum Net Worth of INR 225,00,00,000 (Rupees two hundred and twenty-five crore) per GWh.</p> <p>Query: The bidder, who bids for 5GWh minimum, most likely to install the capacity in phased manner over the 4-5 years. It will be more relevant to make the initial net worth criteria on pro-rated basis as per the capacity enhancement plan of the bidder and link the same as prerequisite to qualify for incentive disbursement during the 5 years plan.</p>	Standard bid condition Prevails
245.	<p>Document: RFP</p> <p>Clause: 3.1.1, Page 27</p> <p>1. Document Text: Qualification Criteria</p> <p>The Bidder shall have a minimum Net Worth of INR 225,00,00,000 (Rupees two hundred and twenty-five crore) per GWh, as per the capacity specified in its Technical Bid for the Financial Year preceding the date of submission of the Bid. The Bid must be accompanied by the audited annual reports of the Bidder (of the Lead Member in case of a Consortium) for the Financial Year, preceding the year in which the Bid is made along with a certificate prepared according to the IFRS from a reputed auditor specifying the Net Worth of the Bidder, as specified under Clause 2.2.3.</p> <p>Query: As per the draft Model Bid document Clause 3.1.2 Pg. 29. The bidder can show the audited annual reports of each member of the consortium.</p>	Standard bid condition Prevails.

	<p>Based on this clause we made an agreement with our partners to participate in the bidding as a consortium and submit the combined net worth. We request you to allow the Qualification criteria as same in the draft documents.</p>	
246.	<p>Document: RFP</p> <p>Clause: 3.2.1, Page 27</p> <p>Document Text: Evaluation of Technical Bids</p> <p>In the first stage, the Technical Bid will be evaluated on the basis of the Value Addition (<i>as defined in the Programme Agreement</i>) committed by the Bidder, and the Committed Capacity (<i>as defined in the Programme Agreement</i>) committed by the Bidder (the “Technical Capacity”). Only those Bidders who commit Value Addition of at least 25% (twenty-five percent) within 2 (two) years from the Appointed Date and minimum 60% (sixty percent) Value Addition within 5 (five) years from the Appointed Date, and installation of ACC manufacturing capacity between 5 GWh to 20 GWh, within 5 (five) years from the Appointed Date, shall qualify for further consideration and shall be ranked from highest to the lowest on the basis of their technical score (ST).</p> <p>Query: The compulsion of Value Addition of 25% within 2 years and minimum 60% within 5 years is going to create a higher sales price for the bidder in the market and it will create a lot of pressure as Indian market is evolving on price advantage from China in past 3- 4 years.</p> <p>Capacity Addition, it is biased weightage system, where upon the bidder with more financial strength can go for straight 5 GWh installation and take away the advantage of higher weightage scoring.</p> <p>Any Indigenous Indian Manufacturer will be entering this domain, with phased manner execution, given the financial constraints, non-secured raw material supply chain, scepticism in the demand side of the market.</p>	Standard bid condition prevails

247.	<p>Document: Programme Agreement</p> <p>Clause: 1.1, Page 7</p> <p>Document Text: “Investment” shall mean:</p> <p>Expenditure incurred on Plant, Machinery, Equipment and Associated Utilities: This shall include expenditure on plant, machinery, equipment, and associated utilities as well as tools, dies, moulds, jigs, fixtures (including parts, accessories, components, and spares thereof) of the same, used in the design, manufacturing, assembly, testing, packaging, or processing of any of the Advance Chemistry Cell). It shall also include expenditure on packaging, freight / transport, insurance, and erection and commissioning of the plant, machinery, equipment, and associated utilities. For the avoidance of doubt, associated utilities would include captive power and effluent treatment plants, essential equipment required in operations areas such as clean rooms, air curtains, temperature and air quality control systems, compressed air, water and power supply, and control systems. Associated utilities further include IT and ITES infrastructure. It is clarified that all non-creditable taxes and duties would be included in such expenditure.</p> <p>Query: We request you to include Land, Building along with Plant, Machinery, Equipment and Associated utilities. Building shall include Development cost for such as fencing, construction of internal roads, permanent buildings, Administrative Block, permanent Plant Structure, Residential facilities developed for accommodation and hostel facilities for employees within 10Km radius of the project premises.</p>	Standard bid condition prevails
248.	<p>Document: Programme Agreement</p> <p>Clause: 7.2.2, Page 22</p> <p>Document Text: Appropriation of Performance Security</p> <p>Upon such encashment and appropriation from the Performance Security, the Beneficiary Firm shall, within 15 (fifteen) days thereof, replenish, in case of partial</p>	Standard bid condition prevails

	<p>appropriation, to its original level the Performance Security, and in case of appropriation of the entire Performance Security provide a fresh Performance Security, as the case may be, and the Beneficiary Firm shall, within the time so granted, replenish or furnish fresh Performance Security as aforesaid, failing which the Government shall be entitled to terminate this Agreement. Upon such replenishment or furnishing of a fresh Performance Security, as the case may be, the Beneficiary Firm shall be entitled to an additional cure period of 90 (ninety) days for remedying the Beneficiary Firm Event of Default or for satisfying any Conditions Precedent, and in the event of the Beneficiary Firm not curing its default within such cure period, the Government shall be entitled to encash and appropriate such Performance Security as damages and terminate this Agreement.</p> <p>Query: We request you to remove this clause as this will further burden the Bidder.</p>	
249.	<p>General Query: Can a Bidder bid for multiple cell chemistries, energy density and Life cycle?</p>	Please refer to Addendum – 1.
250.	<p>General Query: If the above is accepted can the bidder quote different subsidy for different variants.</p>	Standard bid condition Prevails
251.	<p>General Query: Theoretically to have 5GWh of invoiceable capacity practically requires 8Gwh of installed capacity @70% utilization. The total installed cost of 8GWh on the provisional subsidy as per the PLI scheme is substantially low. This requires a review.</p>	Standard bid condition prevails
252.	<p>Document: RFP</p> <p>Clause: 1.1.1 Page 6</p> <p>Document Text: Cell manufacturing for domestic application and promotion of diverse energy sources, to ensure overall energy security for the nation in the long run.</p>	Standard bid condition prevails

	<p>Query: Cell manufacturing for domestic and international application and promotion of diverse energy sources, to ensure overall energy security for the nation in the long run.</p> <p>As per existing clause it is meant for domestic application, to clarify that exports also will be considered for the PLI scheme. Exports will earn foreign exchange reserves for the Government and should be encouraged.</p>	
253.	<p>Document: RFP</p> <p>Clause: 1.3 Page 8</p> <p>Document Text: Bid due date is 31-Dec-2021</p> <p>Query: Bid Due Date to be changed from 31-Dec-2021 to 15-Feb-2022</p> <p>Given that there are several approvals and confirmations which need to be taken from the Board, associate companies, auditors, etc., the current bid due date will not be feasible. In addition, the clarifications from the department will be only issued on 17th December 2021 which may result in material change in the bid and may require further internal corporate approvals.</p>	Standard bid condition Prevails
254.	<p>Document: RFP</p> <p>Clause: 2.2.1 d Page 10</p> <p>Document Text: A Bidder shall be liable for disqualification if any legal, financial or technical adviser of the Government in relation to the Project is engaged by the Bidder or its Member, in any manner for matters related to or incidental to the Project.</p> <p>Query: To declare the list of legal, financial or technical advisers of the Government.</p>	<p>Legal Advisor: Khaitan & Co</p> <p>Financial Advisor: PricewaterhouseCoopers Private Limited</p> <p>Technical Advisor: Deloitte Touche Tohmatsu India LLP.</p> <p>The bidders may appoint the aforesaid consultants for advisory services other than the</p>

	<p>Given we are not aware of the advisers to the government, we would need to know the names to ensure the lack of conflict.</p>	<p>consultants' scope in respect of advising the Government.</p>
255.	<p>Document: RFP</p> <p>Clause: 2.2.9 Page 13</p> <p>Document Text: NA</p> <p>Query: In case, the bidder submits the bid for higher capacity (for example - 20 Gwh) and the Committed Capacity accepted for the PLI scheme is lower capacity (for example - 10 Gwh); will the bidder need to create a separate SPV for the Incremental Capacity or the bidder can operate the entire facility in one SPV as long as the bidder maintains requisite records for the both the lines (i.e. (i) Committed Capacity under the PLI scheme and (ii) Incremental capacity).</p>	<p>Standard bid condition Prevails.</p>
256.	<p>Document: RFP</p> <p>Clause: 2.2.9 Page 13</p> <p>Document Text: NA</p> <p>Query: To confirm if the Bidder is allowed to engage in any other business beside the manufacture of the battery cells.</p>	<p>Standard bid condition Prevails.</p>
257.	<p>Document: RFP</p> <p>Clause: 2.2.9 Page 13</p> <p>Document Text: NA</p> <p>Query: To confirm if the Bidder is allowed to make any subsequent foreign investment or incorporate a subsidiary to undertake any other businesses.</p>	<p>Standard bid condition prevails.</p>

258.	<p>Document: RFP</p> <p>Clause: 2.2.9 Page 13</p> <p>Document Text: NA</p> <p>Query: To clarify if the Bidder Entity is required to be incorporated as a public limited company or can it be incorporated as a private limited company.</p>	Standard bid condition prevails.
259.	<p>Document: RFP</p> <p>Clause: 2.2.12 Page 14</p> <p>Document Text: A Bidder including any Consortium Member or Associate should, in the last 3 (three) years, have neither failed to perform any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Bidder or Consortium Member, nor has been expelled from any project or contract by any public entity nor have had any contract terminated by any public entity for breach by such Bidder or Consortium Member.</p> <p>Query: The term any “any contract” includes contracts with private/nongovernment entities and individuals or if this restriction is limited to contracts with the GOI, State governments, PSUs, or other state instrumentalities or is otherwise limited in scope by monetary value/nature of the contract etc.</p>	Standard bid condition prevails.
260.	<p>Document: RFP</p> <p>Clause: 2.2.9 Page 13</p> <p>Document Text: A Selected Bidder shall form an appropriate Special Purpose Vehicle, incorporated under the Indian Companies Act, 2013 (the “SPV”), to implement the Project.</p>	Standard bid condition prevails.

	<p>Query: A Selected Bidder shall form an appropriate Special Purpose Vehicle, incorporated under the Indian Companies Act, 2013 (the “SPV”), to implement the Project. Provided a Selected Bidder, which is not a Consortium, can assign its rights and obligations in relation to the implementation of the Project to any entity which is a promoter of the Selected Bidder (including any subsidiary of such promoter) where such promoter holds not less than 26% equity shareholding of the Selected Bidder.</p> <p>Since this is a new business line, the Bidder will have to create a new company to establish and operationalise the manufacturing plant, hence promoter group can be provided with flexibility to assign the benefit / obligations at a later date to a step-down subsidiary or a sister concern as long the entity meets the RFP requirements.</p>	
261.	<p>Document: RFP</p> <p>Clause: 2.7.1 read with Clause number 5.1 (k) of the Programme Agreement, Page 17</p> <p>Document Text: By submitting the Bid, the Bidder acknowledges that it was shortlisted on the basis of qualification requirements of its Lead Member who shall, until the 5th (fifth) anniversary of the of the Appointed Date, hold equity share capital representing not less than 26% (twenty-six per cent) of the subscribed and paid-up equity of the SPV.</p> <p>Query: By submitting the Bid, the Bidder acknowledges that it was short-listed on the basis of qualification requirements of its Lead Member who shall, until the 5th (fifth) anniversary of the of the Appointed Date, hold equity share capital representing not less than 26% (twenty-six per cent) of the subscribed and paid-up equity of the SPV. Provided that the Bidder can transfer 100% of its equity shareholding in the SPV to any entity which is the promoter of the Selected Bidder (including any subsidiary of such promoter), where such promoter holds not less than 26% equity shareholding of the Selected Bidder.</p>	Standard bid condition prevails.

	<p>Since this is a new business line, the Bidder will have to create a new company to establish and operationalise the manufacturing plant, hence promoter group can be provided with flexibility to assign the benefit / obligations at a later date to a step-down subsidiary or a sister concern as long the entity meets the RFP requirements.</p>	
262.	<p>Document: RFP</p> <p>Clause: 2.15.2 (x), Page 20</p> <p>Document Text: Evidence of payment towards the cost of the RFP process as specified in Clause 1.2.1.</p> <p>Query: In case the payment is made by a sister concern of the promoter group, can the same payment receipt be used by Bidding Entity.</p> <p>In case, at the time of bidding another entity decides to file for the PLI scheme; there is no requirement to make the payment again.</p>	<p>It is allowed. However, it may be required to share the documentation to establish the relationship.</p>
263.	<p>Document: RFP</p> <p>Clause: 2.30.1, Page 26</p> <p>Document Text: Subject to the provisions of Clause 2.6, Bidders whose Bids are adjudged as responsive in terms of Clause 3.2. and who achieve the maximum score in accordance with Clause 3.4, subject to a ceiling of 50 (fifty) GWh, shall ordinarily be declared as the Selected Bidder(s) (the "Selected Bidder"). The Selected Bidders shall be paid the Subsidy quoted in the Price Bid. In the event that the Government rejects or annuls all the Bids, it may, in its discretion, invite all eligible Bidders to submit fresh Bids hereunder.</p> <p>Query: Kindly confirm the final allotment to the bidder will be as per the respective financial bids of each such Bidder.</p>	<p>Standard bid condition prevails.</p>

	<p>The Bidder would be submitting its proposal based on business feasibility linked to its financial bid.</p>	
<p>264.</p>	<p>Document: RFP</p> <p>Clause: 3.2.1, Page 27</p> <p>Document Text: Only those Bidders who commit Value Addition of at least 25% (twenty-five percent) within 2 (two) years from the Appointed Date and minimum 60% (sixty percent) Value Addition within 5 (five) years from the Appointed Date, and installation of ACC manufacturing capacity between 5 GWh to 20 GWh, within 5 (five) years from the Appointed Date, shall qualify for further consideration and shall be ranked from highest to the lowest on the basis of their technical score</p> <p>Query: Only those Bidders who commit Value Addition of at least 25% 20% (twentyfive percent) within 2 3 (two three) years from the Appointed Date and minimum 40% (forty percent) Value Addition within 5 6 (five six) years from the Appointed Date, shall qualify for further consideration and shall be ranked from highest to the lowest on the basis of their technical score</p> <p>Given lead time required for key activities such as land acquisition, environmental clearance, equipment procurement, construction, equipment commissioning & optimization, etc, it will be very challenging to have the plant fully operational in a 2-year time frame. In addition to the time required for setting up the manufacturing plant, significant time and effort will also be required for establishing technical and commercially viable supply chain for battery parts. Hence, kindly reduce the requirement to 20% Value Addition to be achieved in a 3-year timeframe.</p> <p>In addition, localization of active chemical manufacturing units, the knowhow for which is only with a few global majors, will happen only post the demonstration of</p>	<p>Standard bid condition prevails.</p>

sustained market demand, and setting up these units will have lead times of 2 years. This will mean an investment in these upstream manufacturing units in the first year of operations of the cell manufacturing units. This is unlikely to happen. Therefore, we request that the extent of localization be reduced to 40% in 6 years' timeframe.

265.

Document: RFP

Clause: 3.3.3, Page 29

Document Text: Pertains to the scenario in below matrix, which specifies minimum Energy Density of 200 Wh/kg and simultaneous requirement on cycle life of 2000 to be eligible for Subsidy ('A'):

INR Per KWh		Energy Density (Wh/Kg)				
		> 50	>125	> 200	> 275	> 350
Cycle Life	> 1000	-	-	-	A	A*(1.2)
	> 2000	-	-	A	A*(1.2)	A*(1.2) ²
	> 4000	-	A	A*(1.2)	A*(1.2) ²	A*(1.2) ³
	> 10000	A	A*1.2	A*(1.2) ²	A*(1.2) ³	A*(1.2) ⁴

Query: The Matrix could be revised as shown below:

INR Per KWh		Energy Density (Wh/Kg)				
		≥ 50	≥ 125	≥ 175	≥ 275	≥ 350
Cycle Life	≥ 1000				A	A*(1.2)
	≥ 1750			A	A*(1.2)	A*(1.2) ²
	≥ 4000		A	A*(1.2)	A*(1.2) ²	A*(1.2) ³
	≥ 10000	A	A*(1.2)	A*(1.2) ²	A*(1.2) ³	A*(1.2) ⁴

Based on the suggested matrix, it eliminates chemistries like (i) LFP which is extremely relevant to the Indian market; (ii) NMC which give good energy density but may be eliminated by the simultaneous requirement of cycle life of 2000. LFP and NMC are the current leading chemistries in the world today, both of which may not qualify with such a high threshold.

Standard bid condition prevails.

266.

Document: RFP

Standard bid condition prevails.

Clause: 3.3.3, Page 29

Document Text: Pertains to the scenario in below matrix, which specifies minimum Energy Density of 200 Wh/kg and simultaneous requirement on cycle life of 2000 to be eligible for Subsidy ('A'):

ENR For EWh		Energy Density (Wh/Kg)				
		>50	>125	>200	>275	>350
Cycle Life	> 1000	-	-	-	A	A*(1.2)
	> 2000	-	-	A	A*(1.2)	A*(1.2) ²
	> 4000	-	A	A*(1.2)	A*(1.2) ²	A*(1.2) ³
	≥ 10000	A	A*(1.2)	A*(1.2) ²	A*(1.2) ³	A*(1.2) ⁴

Query: As suggested in Sl. No. 14, If the matrix cannot be revised, the Bidder should be given a 10% relaxation in meeting minimum thresholds on both cycle life and energy density to account for cell design parameters, cell to cell variation during production and new industrialization in Indian conditions.

In series production, there are significant cell-to-cell variations in energy density and cycle life between cells from the same process. Li-ion cells have not been manufactured at scale in India, and the conditions in India will require significant study and optimization of parameters over a period of time to minimize cell-to-cell variations. In this context, the Bidder should be given relaxation of up to 10% in meeting both the cycle life and energy density criteria for ongoing testing.

267.

Document: RFP

Clause: Appendix I - 6 (b), 8 2.2.1 (D), Page 36

Document Text: Several declarations need to be provided by the bidder as well as the associates of the bidder. For purposes of this RFP, Associate means, in relation to the Bidder/ Consortium Member, a person who controls, is controlled by, or is under the common control with such Bidder/ Consortium Member (the "Associate"). As used in this definition, the expression "control" means, with respect to a person which is a company or corporation the ownership, directly or indirectly, of more than 50% (fifty per cent) of the economic or voting shares of such person,

Standard bid condition prevails.

	<p>and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person.</p> <p>Query: For purposes of this RFP, Associate means, in relation to the Bidder/ Consortium Member, a person who controls, is controlled by, or is under the common control with such Bidder/ Consortium Member (the "Associate"). As used in this definition, the expression "control" means, with respect to a person which is a company or corporation the ownership, directly or indirectly, of more than 50% (fifty per cent) of the economic or voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person.</p> <p>Given the declarations is required from all the associates, the declarations should be limited to only the immediate subsidiaries which are directly owned and controlled by the bidder. It should not include any step-down subsidiaries and any international domiciled subsidiary.</p>	
268.	<p>Document: RFP APP.1</p> <p>Clause: 12, Page 37</p> <p>Document Text: I/ We further certify that no investigation by a regulatory authority is pending either against us/ any Member of the Consortium or against our/ their Associates or against our CEO or any of our directors/ managers/ employees.</p> <p>Query: I/ We further certify that no investigation by a regulatory authority is pending either against us/ any Member of the Consortium or against our/ their Associates or against our CEO or any of our directors/ managers/ employees.</p> <p>Given the current timelines and number of employees across all associates (numbering in lakhs), it will be infeasible to conduct the diligence to provide this undertaking for all managers and employees. Hence, we would request this undertaking to be limited to the CEO and directors of the bidding entity.</p>	Standard bid condition prevails.

<p>269.</p>	<p>Document: Tripartite Agreement</p> <p>Clause: 8(vi), Page 8</p> <p>Document Text: Beneficiary Firm shall perform, observe, and comply with be bound by such directions as the GoI may give in writing from time to time after giving due opportunity to Beneficiary Firm to express its views before giving any direction.</p> <p>Query: Deletion of this clause.</p> <p>This provision is open ended and leaves the signed contract to change unilaterally by the government.</p>	<p>Standard bid condition prevails.</p>
<p>270.</p>	<p>Document: Programme Agreement</p> <p>Clause: Article 1, Page 7</p> <p>Document Text: “Investment” shall mean: Expenditure incurred on Plant, Machinery, Equipment and Associated Utilities: This shall include expenditure on plant, machinery, equipment, and associated utilities as well as tools, dies, moulds, jigs, fixtures (including parts, accessories, components, and spares thereof) of the same, used in the design, manufacturing, assembly, testing, packaging, or processing of any of the Advance Chemistry Cell).</p> <p>Query: “Investment” shall mean: Expenditure incurred on Land and Building, Development Cost, Plant, Machinery, Equipment and Associated Utilities: This shall include expenditure on plant, machinery, equipment, and associated utilities as well as tools, dies, moulds, jigs, fixtures (including parts, accessories, components, and spares thereof) of the same, used in the design, manufacturing, assembly, testing, packaging, or processing of any of the Advance Chemistry Cell).</p>	<p>Standard bid condition prevails.</p>

	Significant expenditure envisaged on Land and Building, Development Cost hence it should be included in the definition of Investment	
271.	<p>Document: Programme Agreement</p> <p>Clause: 1.2.1(j), Page 10</p> <p>Document Text: Reference to a “business day” shall be construed as reference to a day (other than a Sunday and public holiday) on which banks in [Delhi] are generally open for business</p> <p>Query: Reference to a “business day” shall be construed as reference to a day (other than a Sunday and public holiday) on which banks in [Delhi] and states in which the manufacturing plant and the corporate office are located, generally open for business</p> <p>Given the plant and corporate office could be located in a state other than Delhi hence request for the minor addition in order to avoid any delays in submitting document or responding to government queries.</p>	The location is Delhi
272.	<p>Document: Programme Agreement</p> <p>Clause: 4.5,16.1.1.a, Page 15,39</p> <p>Document Text: Subject to the terms and conditions specified herein above, if either Party fails to achieve the Conditions Precedent within the prescribed period under Clause 4.2 and 4.3, and such failure is not on account of the default of other Party or Force Majeure Event, then such Party shall be entitled to extension of the time period by 60 (sixty) days or such additional time period as agreed by the other Party, for fulfilment of respective Condition Precedent.</p> <p>The occurrence of any of the following events would constitute an event of default on the part of the Beneficiary Firm (“Beneficiary Firm Event of Default”), unless such an event occurs due to Force Majeure Event: (a) the Beneficiary Firm fails to meet any Conditions Precedent, within a cure period of 30 (thirty) days.</p>	Please refer to Addendum – 1

	<p>Query: Subject to the terms and conditions specified herein above, if either Party fails to achieve the Conditions Precedent within the prescribed period under Clause 4.2 and 4.3, and such failure is not on account of the default of other Party or Force Majeure Event, then such Party shall be entitled to extension of the time period by 60 (sixty) days or such additional time period as agreed by the other Party, for fulfilment of respective Condition Precedent.</p> <p>The occurrence of any of the following events would constitute an event of default on the part of the Beneficiary Firm (“Beneficiary Firm Event of Default”), unless such an event occurs due to Force Majeure Event: (a) the Beneficiary Firm fails to meet any Conditions Precedent, within a cure period of 60 30 (sixty thirty) days</p> <p>Alignment between both the clauses.</p>	
273.	<p>Document: Programme Agreement</p> <p>Clause: 4.3 a,b,c, Page 15</p> <p>Document Text: The Conditions Precedent to be fulfilled by the Beneficiary Firm within the time specified below or where no time period is specified, within 120 (one hundred twenty) days from the Execution Date shall be deemed to have been fulfilled when Beneficiary Firm shall have: (a) executed the Tripartite Agreement with the Government and the relevant state government; (b) provided the Performance Security within 30 (thirty) days; and (c) provided a Construction Plan within 90 (ninety) days.</p> <p>Query: The Conditions Precedent to be fulfilled by the Beneficiary Firm within the time specified below or where no time period is specified, within 120 (one hundred twenty) days from the Execution Date shall be deemed to have been fulfilled when Beneficiary Firm shall have: (a) executed the Tripartite Agreement with the Government and the relevant state government within 270 (Two hundred and seventy) days; (b) provided the Performance Security within 30 (thirty) days; and</p>	Standard bid condition prevails.

	<p>(c) provided a Construction Plan within 90 (ninety) days. In addition to above, the Government will facilitate the receipt of permit relating to environmental protection and conservation at site.</p> <p>The existing timelines of 120 days to execute the Tripartite Agreement will be challenging; given the shortlisted bidder will need to have discussion with multiple states and agree on an incentive plan with state government before executing the Tripartite Agreement. Hence there is a need for a longer period.</p>	
274.	<p>Document: Programme Agreement</p> <p>Clause: 4.8, Page 16</p> <p>Document Text: In the event that (i) the Beneficiary Firm does not procure fulfilment or waiver of any or all of the Conditions Precedent set forth in Clause 4.3 within the period specified in that Clause, and (ii) the delay has not occurred as a result of breach of this Agreement by the Government or due to Force Majeure, the Beneficiary Firm shall pay to the Government, liquidated damages in an amount calculated at the rate of 0.1% (zero point one per cent) of the Performance Security for each day's delay until the fulfilment or waiver of such Conditions Precedent, subject to a maximum amount equal to the Bid Security, and upon reaching such maximum amount, the Government, in its sole discretion and subject to the provisions of Clause 7.2, shall additionally have the right to terminate the Agreement. Provided that in the event of delay by the Government in procuring fulfilment or waiver of the Conditions Precedent specified in Clause 4.2, no liquidated damages shall be due or payable by the Beneficiary Firm under this Clause 4.8 until the date on which the Government shall have procured fulfilment or waiver of the Conditions Precedent specified in Clause 4.2.</p> <p>Query: Damages for delay by the Beneficiary Firm Clause should be removed</p> <p>Multiple external factors may delay the fulfilment of the condition precedent. In this context, the government has reserved for itself the right to delay fulfilment of the condition precedent on its part without penalty, whereas a delay in fulfilling the conditions precedent on the part of the bidder is penalized. Given the on-going</p>	Standard bid condition prevails.

	<p>pandemic situation, externalities that affect the conditions precedent, as well as the bidder committing to make significant capital investment, the bidder should not be penalised for any delay which is beyond its direct control.</p>	
275.	<p>Document: Programme Agreement</p> <p>Clause: 7.2.2, Page 22</p> <p>Document Text: Upon such encashment and appropriation from the Performance Security, the Beneficiary Firm shall, within 15 (fifteen) days thereof, replenish, in case of partial appropriation, to its original level the Performance Security, and in case of appropriation of the entire Performance Security provide a fresh Performance Security, as the case may be, and the Beneficiary Firm shall, within the time so granted, replenish or furnish fresh Performance Security as aforesaid, failing which the Government shall be entitled to terminate this Agreement.</p> <p>Query: Deletion of this clause</p> <p>The maximum damages that will be payable by the bidder should be limited to the performance bank guarantee in case of any encashment of any performance bank guarantee, there should be no provision of unlimited replenishment of the bank guarantee.</p>	Standard bid condition prevails.
276.	<p>Document: Programme Agreement</p> <p>Clause: 8.2 and 8.3, Page 24</p> <p>Document Text: The Parties agree that failure of Beneficiary Firm to achieve the Milestones in accordance with the provisions of this Agreement will entitle the Government to levy Damages, and the Government shall have the right including but not limited to: (a) forfeiture of the entire incentive, in which case the Beneficiary Firm shall not be entitled to receive any further amounts in the form of Subsidy; and (b) appropriation of the Performance Security.</p>	Standard bid condition prevails.

	<p>Query: Kindly confirm the if there is a noncompliance at a later date then the government will not seek to recover the subsidies that the SPV has earned previously</p>	
<p>277.</p>	<p>Document: Programme Agreement</p> <p>Clause: 8.2, Page 24</p> <p>Document Text: If the Beneficiary Firm fails to achieve the Committed Capacity as specified in Schedule - M, the Government shall have the right to deduct from the Subsidy payable under Clause 11.1, 2 (two) times the Subsidy due and payable corresponding to the shortfall in the Committed Capacity. By way of illustration and for the avoidance of doubt, the deduction in the Subsidy shall be computed as follows: If the Committed Capacity is 10 GWh, and the Beneficiary Firm achieves production / sale of 8 GWh, the Government shall deduct Subsidy payable for $2 * (10 - 8) = 4$ GWh. The Beneficiary Firm would, under such circumstance, be paid Subsidy for $(10 - 4) = 6$ GWh of capacity, notwithstanding commissioning of 8 GWh.</p> <p>Query: If the Beneficiary Firm fails to achieve the Committed Capacity as specified in Schedule - M, the Government shall have the right to deduct from the Subsidy payable under Clause 11.1, 2 (two) times the Subsidy due and payable corresponding to the shortfall in the Committed Capacity. Committed Capacity would be certified by a third party each quarter, based on demonstration of pro-rated production over a week. By way of illustration and for the avoidance of doubt, the deduction in the Subsidy shall be computed as follows: If the Committed Capacity is 10 GWh, and the Beneficiary Firm achieves production / sale installed capacity of 8 GWh, the Government shall deduct Subsidy payable for $2 * (10 - 8) = 4$ GWh. The Beneficiary Firm would, under such circumstance, be paid Subsidy for $(10 - 4) = 6$ GWh of capacity, notwithstanding commissioning of 8 GWh. For the purposes of calculation of such Subsidy (and deduction), the actual value addition would be used in the multipliers.</p> <p>Bidder is making significant capital investment and taking a huge market risk once it has installed the committed capacity. In case of a market downturn resulting in</p>	<p>Please refer to addendum-1</p>

	<p>lower sales, the bidder will face significant losses due to the committed fixed costs. In this scenario, the bidder should not be further penalised for underproduction, as this will only add to the losses of the bidder. As per discussion, we understand that the intention of the government is to link the subsidy to the installed capacity only and not to actual production.</p>	
<p>278.</p>	<p>Document: Programme Agreement Clause: 8.3.1, Page 24</p> <p>Document Text: If the Beneficiary Firm fails to achieve the scale of Committed Value Addition as specified in Schedule - E, the Damages shall be estimated by determining the deficit in the Committed Value Addition and the actual Value Addition achieved. This deficit shall be deducted from the Subsidy for the quarter where any such shortfall has been determined. If the deficit is not fulfilled within the immediately subsequent quarter, such Damages may be carried forward to subsequent quarters, until the deficit is adjusted.</p> <p>Query: If the Beneficiary Firm fails to achieve the scale of Committed Value Addition as specified in Schedule - E, the Damages shall be estimated by determining the deficit in the Committed Value Addition and the actual Value Addition achieved. This deficit shall be deducted from the Subsidy for the quarter where any such shortfall has been determined. If the deficit is not fulfilled within the immediately subsequent quarter, such Damages may be carried forward to subsequent quarters, until the deficit is adjusted. Provided the Damages carried forward and adjusted in the subsequent quarter shall not exceed the amount of Subsidy which was payable in the quarter in which Beneficiary Firm failed to achieve the scale of Committed Value Addition as specified in Schedule - E.</p> <p>Manufacture of ACC storage battery is a new industry with relatively limited ecosystem available. Industry participants who are looking to establish the industry as well as the ecosystem in India should be incentivised to fast track the development of the industry rather than be penalised.</p>	<p>Standard bid condition prevails.</p>

279.	<p>Document: Programme Agreement</p> <p>Clause: 8.2 and 8.3, Page 24</p> <p>Document Text: Committed Capacity: If the Beneficiary Firm fails to achieve the Committed Capacity as specified in Schedule - M, the Government shall have the right to deduct from the Subsidy payable under Clause 11.1, 2 (two) times the Subsidy due and payable corresponding to the shortfall in the Committed Capacity.</p> <p>Committed Value Addition: If the Beneficiary Firm fails to achieve the Committed Value Addition as specified in Schedule - M, the Damages shall be estimated by determining the deficit in the Committed Value Addition and the actual Value Addition achieved. This deficit shall be deducted from the Subsidy for the quarter where any such shortfall has been determined. If the deficit is not fulfilled within the immediately subsequent quarter, such Damages may be carried forward to subsequent quarters, until the deficit is adjusted.</p> <p>Query: It is not clear how a combination of both 8.2 and 8.3 will be handled. For example - Bidder installs 5 GWH against committed of 10 GWH and achieves value addition of 40% vs 50%. Then what would be the subsidy received and penalty.</p>	Please refer to Addendum – 1.
280.	<p>Document: Programme Agreement</p> <p>Clause: 8.4, Page 24</p> <p>Document Text: The Parties agree that in case the Beneficiary Firm fails to achieve Milestone as mentioned under Clause 8.1 and/or the Value Addition as submitted by the selected bidder in the Bid; and the Government deducts Damages pursuant to this Article 8 for 6 (six) consecutive quarters, the Government shall have the right to discontinue payment of any Subsidy and shall amount to Beneficiary Firm Event of Default.</p>	Standard bid condition prevails.

	<p>Query: The Parties agree that in case the Beneficiary Firm fails to achieve Milestone as mentioned under Clause 8.1 and/or the Value Addition as submitted by the selected bidder in the Bid; and the Government deducts Damages pursuant to this Article 8 for 6 (six) consecutive quarters, the Government shall have the right to discontinue payment of any Subsidy and shall amount to Beneficiary Firm Event of Default.</p> <p>The milestone achievement may be delayed due to various factors which may be beyond the control of the bidder, such as actions of suppliers or increase in raw material rates or disruptions to global trade, hence this should not be considered as an Event of Default, especially since the government has linked the actual subsidy paid to the actual value addition achieved.</p>	
281.	<p>Document: Programme Agreement</p> <p>Clause: 3.1.2, Page 27</p> <p>Document Text: Net Worth criterion is to be adopted and approved by the board of directors and shareholders of the Bidder.</p> <p>Query: Net Worth criterion is to be adopted and approved by the board of directors and shareholders of the Bidder based on the audited financials.</p> <p>Since audited financials is already approved by the Board and Shareholders from which we are deriving the net worth, there doesn't need to be separate certification on net worth certificate by the Board & Shareholder of the Company.</p>	Please refer to Addendum – 1.
282.	<p>Document: Programme Agreement</p> <p>Clause: Article 10, 10.2, Page 28</p> <p>Document Text: The Government shall commence Subsidy disbursement upon the Beneficiary Firm exceeding the Value Addition at the Mother Unit level of 25%.</p>	Standard bid condition prevails.

	<p>Query: The Government shall commence Subsidy disbursement upon the Beneficiary Firm exceeding the Value Addition at the Mother Unit level of 25 20%</p> <p>Given this is not a standard auto manufacturing plant and there is no concept of mother unit. No minimum % level for Value Addition requirement at Mother Unit Level for claiming subsidy.</p>																									
<p>283.</p>	<p>Document: PA</p> <p>Clause: Article 11.5, Page 29</p> <p>Document Text: The Beneficiary Firm agrees that the Subsidy extended by the Government shall be phased down. The Government shall phase the Subsidy by way of a year-on-year reduction for the Term of the Project. Year wise fixed phasing of base Subsidy (benchmark amount) as quoted by the Beneficiary Firm shall be as follows:</p> <table border="1" data-bbox="322 751 824 911"> <thead> <tr> <th>Financial Year</th> <th>1 year 2022-23</th> <th>2 year 2023-24</th> <th>3 year 2024-25</th> <th>4 year 2025-26</th> <th>5 year 2026-27</th> <th>6 year 2027-28</th> <th>7 year 2028-29</th> </tr> </thead> <tbody> <tr> <td>Reduction</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Year on year effective phasing of base Subsidy (benchmark amount)</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>90%</td> <td>72%</td> <td>48%</td> </tr> </tbody> </table> <p>Query: Increase the subsidy scheme to a 10- year period (i.e., FY32)</p> <p>Current scheme only provides subsidy benefits for 5 years (i.e., 3rd year of manufacturing onwards) given the time required to set-up the manufacturing unit. Ideally the subsidy should be offered for a minimum of 10 years to incentivise the players to establish the unit as well as continuing operating for a longer period of time.</p>	Financial Year	1 year 2022-23	2 year 2023-24	3 year 2024-25	4 year 2025-26	5 year 2026-27	6 year 2027-28	7 year 2028-29	Reduction	0%	0%	0%	0%	0%	0%	0%	Year on year effective phasing of base Subsidy (benchmark amount)	100%	100%	100%	100%	90%	72%	48%	<p>Standard bid condition prevails.</p>
Financial Year	1 year 2022-23	2 year 2023-24	3 year 2024-25	4 year 2025-26	5 year 2026-27	6 year 2027-28	7 year 2028-29																			
Reduction	0%	0%	0%	0%	0%	0%	0%																			
Year on year effective phasing of base Subsidy (benchmark amount)	100%	100%	100%	100%	90%	72%	48%																			
<p>284.</p>	<p>Document: Programme Agreement</p> <p>Clause: Article 11: 11.2.1, Page 29</p>	<p>Standard bid condition prevails.</p>																								

	<p>Document Text: The Subsidy to be paid to the Beneficiary Firm shall be disbursed quarterly upon the Beneficiary Firm fulfilling the requirements forth in Schedule – E.</p> <p>Query: The Subsidy to be paid to the Beneficiary Firm shall be disbursed quarterly upon the Beneficiary Firm fulfilling the requirements forth in Schedule – E. Subsidy should be paid within 15 days of providing all the required documentary evidence.</p> <p>To provide a time frame by which government would release the subsidy to the bidder.</p>	
285.	<p>Document: Programme Agreement</p> <p>Clause: Article 13: 13.2, Page 33</p> <p>Document Text: Balance Sheet, Cash Flow Statement and Profit and Loss Account, along with a report thereon by its statutory auditor, within [60 (sixty) days] of the close of every Financial Year.</p> <p>Query: Balance Sheet, Cash Flow Statement and Profit and Loss Account, along with a report thereon by its statutory auditor, within [60 (sixty)] 120 (One twenty) days] of the close of every Financial Year.</p> <p>Alignment with the Company’s Act 2013 requirement of furnishing the information within 120 days of close of every Financial Year.</p>	Standard bid condition prevails.
286.	<p>Document: Programme Agreement</p> <p>Clause: Article 13.4, Page 33</p> <p>Document Text: The Beneficiary Firm shall, within 45 (forty-five) days of the close of each quarter of a Financial Year, furnish to the Government its unaudited financial results in respect of the preceding quarter, in the manner and form prescribed under Applicable Law and as may be required by the Government.</p>	Standard bid condition prevails.

	<p>Query: The Beneficiary Firm shall, within 45 (forty-five) 60 sixty days of the close of each quarter of a Financial Year, furnish to the Government its unaudited financial results in respect of the preceding quarter, in the manner and form prescribed under Applicable Law and as may be enquired by the Government.</p> <p>We will need 60 days to prepare and submit the financials.</p>	
287.	<p>Document: Programme Agreement</p> <p>Clause: Article 16, Page 39</p> <p>Document Text: NA</p> <p>Query: Beneficiary Firm should be able to terminate the agreement by foregoing future unearned subsidies at any point of time.</p> <p>Both parties should have the right to exit the agreement. In case termination is triggered by the Beneficiary Firm, the penalty should be capped to the Performance Security</p>	Standard bid condition prevails.
288.	<p>Document: Programme Agreement</p> <p>Clause: Article 16.1.1, Page 39</p> <p>Document Text: Clause 16.1.1 of the Program Agreement defines a “Beneficiary Event of Default”. While Clauses 16.1.1. of the (a), (b), (c) and (d) designate specific situations as Events of Default, Clause 16.1.1 (e) merely states “breach of any other obligations under this Agreement “. Clause 7.2 of the Program Agreement states that a “Beneficiary Event of Default” is a ground to invoke a performance guarantee.</p> <p>Query: Remove 16.1.1 (e) merely states “breach of any other obligations under this Agreement “.</p>	Standard bid condition prevails.

	<p>We note that this clause is worded in a broad manner and under its terms even minor infractions of the Program Agreement would result in an Event of Default. While the Program Agreement does provide a cure period for an Event of Default, the broad wording of Clause 16.1.1.(e), places a very low threshold for possible invocation of the Performance Security. This condition should please be removed.</p>	
289.	<p>Document: Programme Agreement</p> <p>Clause: Article 17.3, Page 40</p> <p>Document Text: In the event the Dispute is not amicably settled within 15 (fifteen) days of the meeting of the authorised representative of each Party, or the Dispute is not resolved as evidenced by the signing of written terms of settlement within 30 (thirty) days of the notice in writing referred to in Clause 17.1 or such longer period as may be mutually agreed by the Parties, then such Dispute shall be exclusively resolved by the courts at New Delhi.</p> <p>Query: In the event the Dispute is not amicably settled within 15 (fifteen) days of the meeting of the authorised representative of each Party or the Dispute is not resolved as evidenced by the signing of written terms of settlement within 30 (thirty) days of the notice in writing referred to in Clause 17.1 or such longer period as may be mutually agreed by the Parties, then such Dispute shall be exclusively resolved by the courts at New Delhi or through an arbitration process.</p> <p>Arbitration is a faster resolution process and should be encouraged hence we have included it in the definition</p>	Standard bid condition prevails.
290.	<p>Document: Programme Agreement</p> <p>Clause: 1.3.3.1 Schedule D, Page 55</p>	Standard bid condition prevails.

	<p>Document Text: The minimum DoD for testing shall be 80%. Testing at any other higher DoD level is permissible, if requested by the manufacturer. The cycle life and energy density tests shall be done at the same level of DoD.</p> <p>Query: The minimum DoD for testing shall be 80%. Testing at any other higher DoD level is permissible, if requested by the manufacturer. The cycle life and energy density tests shall be done at the same level of DoD.</p> <p>In field applications, cycling requirements would mostly be at 80% DOD, while peak energy density is usually measured at 100% DOD.</p>	
291.	<p>Document: Programme Agreement</p> <p>Clause: 1.3.2.1 Schedule D, Page 55</p> <p>Document Text: The energy density and cycle life tests shall be conducted at 0.5C charge and 0.5C discharge as the standard test condition or any other higher charge / discharge rate, if requested by the manufacturer.</p> <p>Query: The energy density and cycle life tests shall be conducted at 0.5C min of C/3 charge and 0.5C min of C/3 discharge as the standard test condition or any other higher charge / discharge rate, if requested by the manufacturer.</p> <p>C/3 charge and discharge rates configured batteries would be well suited for most automotive applications in India. In India, battery charging would generally be done overnight (i.e., 6 - 8 hours), hence test C/3 (3 hours) would be more than adequate.</p>	Standard bid condition prevails.
292.	<p>Document: Programme Agreement</p> <p>Clause: 1.4.1.1, Schedule D, Page 56</p>	Standard bid condition prevails.

	<p>Document Text: End-of-life capacity for testing shall be “80% of initial capacity and would be measured in Wh”.</p> <p>Query: End-of-life capacity for testing shall be “80% 70% of initial capacity and would be measured in Wh”.</p> <p>India is a very cost sensitive market and batteries will be utilised to the best possible extent, even getting into second life applications. Hence recommend using EOL capacity to 70%.</p>	
293.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E- 3.c, Page 68</p> <p>Document Text: Add: ‘Actual value added by the indigenous manufacturers’ i.e., ancillary unit or domestic manufacturers attributable to sale value (net of returns, price adjustments, discounts, etc.) of said goods</p> <p>Query: Add: Actual value added by the indigenous manufacturers’ i.e., ancillary unit or domestic manufacturers attributable to sale value (net of returns, price adjustments, discounts, etc.) of said goods. Add: Actual value of any Lithium, Cobalt and Nickel compounds Purchased</p> <p>These minerals are not mined in India and have been recognised as having strategic importance (e.g., govt has taken initiative to set up KABIL). In the calculation of Value Addition, we should not consider cost of such minerals that cannot be localised</p>	Standard bid condition prevails.
294.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E- 3.c, Page 68</p> <p>Document Text: Sale value (net of returns, price adjustments, discounts, etc.) of the said goods, excluding indirect Taxes, if any, paid on the goods</p>	Standard bid condition prevails.

	<p>Query: To add back any rebates/subsidies received from the central or state government into the sales price for value addition calculation.</p>	
295.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E- 3.c, Page 68</p> <p>Document Text: Cost of material whose source of origin cannot be ascertained (beyond prescribed threshold).</p> <p>Query: Threshold has not been specified. Recommend keeping this threshold to at least 10% of the value of all the materials sourced.</p>	Standard bid condition prevails.
296.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E- 3.c, Page 68</p> <p>Document Text: Expenses incurred in foreign currency for royalty or technical know-how as debited in the income statement (Directly or through intermediate Company).</p> <p>Query: Technical fees or royalty paid to a company registered in India and paid in INR will not be part of this deduction.</p>	Standard bid condition prevails.
297.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E, Page 68</p> <p>Document Text: Cost of fuel consumed, if eligible for GST input credit</p> <p>Query: To confirm that electricity, which is not part of GST, is not considered as fuel consumed for the purposes of this calculation and hence not deducted for Value Addition calculation purpose.</p>	Standard bid condition prevails.

298.	<p>Document: NA</p> <p>Clause: NA, Page NA</p> <p>Document Text: NA</p> <p>Query: In addition to the financial subsidy, the government should consider additional incentives such as power subsidy, capex subsidy, land grants and tax holidays.</p> <p>Given the nascent stage of this industry in India, government should look to provide additional support for the industry to flourish and prosper at this stage.</p>	Standard bid condition prevails.
299.	<p>Document: NA</p> <p>Clause: NA, Page NA</p> <p>Document Text: NA</p> <p>Query: To extend special income tax rate of 15% u/s 115BAB for setting up new plant by March 31, 2025 from March 31, 2023 (request to be made to Finance ministry for extending the period for two more financial year).</p> <p>To increase financial attractiveness of the project</p>	Standard bid condition prevails.
300.	<p>Document: RFP</p> <p>Clause: 2.2.9 of RFP Page 13</p> <p>Query: Clause 2.2.9 of the RFP requires the selected bidder to form a Special Purpose Vehicle, incorporated under the Indian Companies Act, 2013 (the "SPV"), to implement the Project. We understand that the requirement of incorporation of a SPV is to ensure that a new manufacturing facility is setup in India. Hyunet Private Limited has been incorporated as a Joint Venture between Juniten Pte Ltd. and Hyundai Global Motors Co. Ltd., for the purpose of setting up of a new ACC</p>	Standard bid condition prevails.

	<p>manufacturing facility in India. The Company has not yet setup its manufacturing facility and intends to do so shortly.</p>	
301.	<p>Document: NA</p> <p>Clause: NA Page NA</p> <p>Query: Kindly confirm that Hyunet Private Limited (an entity/ SPV that has been recently and newly incorporated to set up a battery manufacturing facility) can be the beneficiary firm for the purpose of the scheme and can enter into the programme and tripartite agreement with the Government?</p>	<p>Please refer to the Tripartite Agreement.</p>
302.	<p>Document: RFP</p> <p>Clause: 2.2.3 of RFP Page 13</p> <p>Query: Clarification on qualification of an Associate for the purpose of eligibility</p> <p>As per clause 2.2.3 of the RFP, for computing the financial capacity of a Bidder, the financial capacity of its Associate would also be considered.</p> <p>Further, the term 'Associate' has been defined to mean a person who controls, is controlled by, or is under the common control with such Bidder. The expression "control", with respect to a company has been defined to mean, the ownership, directly or indirectly, of more than 50% of the economic or voting shares of such company.</p> <p>We understand that the purpose of the above condition is to ensure that the Associate of the Bidder (having specified financial capabilities), has significant stake and interest in the Bidder, which in turn would ensure the financial arrangement for the Bidder to implement the project.</p> <p>In the present case, Hyunet Private Limited has already achieved the financial closure for setting up the ACC manufacturing facility in India.</p>	<p>Standard bid condition prevails.</p>

	<p>In the above backdrop, please confirm that the credentials (E.g. Net Worth) of Hyundai Global Motors Co. Ltd. (which holds 30% share in Hyunet Private Limited), can be allowed to be taken for the purpose of meeting the eligibility criteria, given that Hyunet Private Limited has achieved the financial closure for its proposed ACC manufacturing facility?</p>	
303.	<p>Document: RFP</p> <p>Clause: 2.2.3 Page 13</p> <p>Query: Clarification on requirement in respect of maintenance of shareholding by the lead member of the consortium in the SPV</p> <p>As per clause 2.2.3 of the RFP, in case of consortium, the lead member is required to hold at least 26% equity stake in the SPV, for a continuous period of 5 years from the appointed date.</p> <p>We understand that the above condition has been incorporated to ensure that the lead member of the bidder (having specified financial capabilities), has significant stake and interest in the bidder, which in turn would ensure the financial arrangement for the bidder to implement the project.</p> <p>In the present case, Hyundai Global Motors Co. Ltd. holds 30% equity stake in Hyunet Private Limited. Further, Hyunet Private Limited has already achieved the financial closure for setting up of the ACC manufacturing facility in India.</p> <p>Given the above, please confirm that the requirement for the lead member to continuously hold at least 26% equity stake in the beneficiary firm may not be required, and that the same can be relaxed.</p>	Standard bid condition prevails.
304.	<p>Document: NA</p> <p>Clause: NA Page NA</p>	Please refer to Addendum 1

	<p>Query: Clarification on calculation of capacity and value addition in case of manufacture of multiple chemistries</p> <p>On perusal of the calculation provided for determining the technical and financial score for a particular bidder (determined basis committed capacity and committed value addition), it appears that the same needs to be calculated at the Bidder level and not at the product level.</p> <p>Accordingly, in case where the Bidder intends to manufacture ACCs of different chemistries, we understand that the committed capacity and committed value addition needs to be achieved on an overall basis at the beneficially firm level and not at the chemistry level.</p> <p>Kindly confirm the above understanding.</p> <p>E.g. if the Bidder intends to manufacture ACCs with LFP and NMC chemistries, we understand that it would be required to achieve the overall committed capacity and overall value addition (i.e. sum of capacities and overall value addition of LFP and NMC taken together).</p>	
305.	<p>Document: RFP</p> <p>Clause: 3.3.3 Page 29</p> <p>Query: Clarification on calculation of incentive in case of higher energy density and/or higher cycle life</p> <p>Clause 3.3.3 of the RFP provides for incremental incentives in case where the ACC manufactured by the Beneficiary firm has a higher cycle life and energy density.</p> <p>In case where the energy density and cycle life of the ACC produced by the beneficiary firm increases over the tenure of the scheme, we understand that a higher incentive would be granted in case a higher energy density and/or higher</p>	Standard bid condition prevails.

	<p>cycle life is achieved during the particular quarter in respect of which the incentive is claimed.</p> <p>Kindly confirm the above understanding.</p> <p>E.g. Say, in 2023-24, the beneficiary firm achieves the energy density of >275 and cycle life of >2000, while it achieves the energy density of >350 and cycle life of >4000 in FY 2024-25.</p> <p>In the above scenario, we understand that a higher incentive shall be available to the beneficiary firm in FY 2024-25. Please confirm.</p>	
306.	<p>Document: RFP</p> <p>Clause: Appendix v - Annex 1 of RFP Page 52</p> <p>Query: The Bidder is required to provide details of committed capacity for every quarter during the initial five year period.</p>	Standard bid condition prevails.
307.	<p>Document: RFP</p> <p>Clause: NA Page NA</p> <p>Query: Clarification on calculation of committed capacity</p> <p>We understand that the committed capacity achieved during a particular quarter shall be considered as the installed capacity achieved by the end of the said quarter, and the same shall not be the produced capacity, or the capacity sold.</p> <p>Kindly confirm the above understanding.</p>	Please refer to Addendum – 1.
308.	<p>Document: Programme Agreement</p>	Please refer to Addendum - 1.

	<p>Clause: Annex - 1 (Subsidy Determination Form) of Programme Agreement, Schedule B, Schedule E of Draft Programme Agreement</p> <p>Page 49,67</p> <p>Query: Clarification on value addition to be considered for the purpose of calculation of incentive</p> <p>Different parameters have been provided in the programme agreement for the %age of value addition to be considered for calculation of subsidy.</p> <ul style="list-style-type: none"> - <u>As per Annex 1 to Schedule B of Programme Agreement</u>, value addition to be considered for calculation is prescribed as lower of Percentage of Value Addition as per certificate for Value Addition in India <i>or</i> Value Addition specified in the Technical Bid of the Beneficiary firm - <u>On the other hand, Para 2 of Schedule E of Programme Agreement</u>, prescribes that the value addition achieved during the period would be considered for the purpose of calculation of subsidy <p>Please clarify as to which of the above provision would govern the calculation of value addition.</p> <p>For example, say, the committed value addition is 30% while, the actual value addition achieved is 35%. So, for the purpose of subsidy calculation, whether the committed value addition (i.e. 30%) or the actual value addition (i.e. 35%), would be considered.</p>	
309.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E, of Programme Agreement</p> <p>Page 68</p>	Standard bid condition prevails.

	<p>Query: In terms of Schedule E to the Programme Agreement, for the purpose of calculation of value addition, “Actual value added by the ancillary units or domestic manufacturers” needs to be added</p> <p>For instance, if the beneficiary firm has procured some material from a domestic Trader, who in turn, has procured such material from a domestic manufacturer, we understand that such purchases (i.e. purchases made from domestic trader) would be included in the calculation of the value addition and would not be excluded from the said calculation merely because the beneficiary firm has procured the same from a trader.</p> <p>In the said regard, please also clarify the methodology to be followed for calculation of value addition in such cases.</p>	
310.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E, of Programme Agreement Page 68</p> <p>Query: Clarification on includability of purchases from traders in computation of value addition</p> <p>Please clarify as to whether the procurements made from domestic trader would be eligible for consideration in the calculation of value addition, given that the above referred clause only uses the term “domestic manufacturers” or “ancillary units”?</p> <p>For instance, if the beneficiary firm has procured some material from a domestic Trader, who in turn, has procured such material from a domestic manufacturer, we understand that such purchases (i.e. purchases made from domestic trader) would be included in the calculation of the value addition and would not be excluded from the said calculation merely because the beneficiary firm has procured the same from a trader. In the said regard, please also clarify the methodology to be followed for calculation of value addition in such cases.</p>	<p>Please refer to the value addition formula. Standard bid condition prevails.</p> <p>‘Actual value added by the indigenous manufacturers’ i.e., ancillary unit or domestic manufacturers attributable to sale value (net of returns, price adjustments, discounts, etc.) of said goods is allowed to be added for calculation of value addition</p>

<p>311.</p>	<p>Document: Programme Agreement</p> <p>Clause: Schedule E, of Programme Agreement Page 68</p> <p>Query: Clarification on calculation of value addition in the hands of suppliers and sub-suppliers</p> <p>Value addition achieved by the domestic manufactures supplying material to the beneficiary firm also needs to be calculated in similar manner, which inter-alia requires inclusion of <i>value addition made by the domestic manufacturers (sub-supplier)</i> supplying goods to such manufacturers.</p> <p>Further, value addition by such sub-supplier cannot be calculated unless value addition by its supplier is taken into consideration.</p> <p>Please clarify as to what extent one needs to look into the supply chain to ascertain value addition?</p> <p>Further, also please clarify as to how the value addition will be calculated in the hands of the last sub-supplier, given that in the present construct of the formula, his value addition will be dependent on value addition by his suppliers.</p> <p>For instance, if the beneficiary firm 'X' has procured some material from a domestic manufacturer 'A', who has procured some inputs from domestic manufacturer 'B', who in turn has procured some inputs from a domestic manufacturer 'C', then in such case basis the formula prescribed, for the calculation of value addition in hands of 'X', the value addition by 'A' needs to be included, which cannot be determined without considering the value addition made by 'B'. Similarly, the value addition by 'B' cannot be ascertained without considering the value addition made by 'C'.</p> <p>This chain may continue indefinitely and if applied in the current fact pattern, it may be challenging to calculate the value addition in the hands of 'X'.</p>	<p>Please refer to the value addition formula. Standard bid condition prevails.</p> <p>'Actual value added by the indigenous manufacturers' i.e., ancillary unit or domestic manufacturers attributable to sale value (net of returns, price adjustments, discounts, etc.) of said goods is allowed to be added for calculation of value addition</p>
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	<p>Accordingly, it is requested that necessary clarification may be notified as to what extent one needs to look into the supply chain to ascertain value addition, and also an illustration/ methodology may be prescribed as to how the value addition will be calculated in the hands of the last sub-supplier, given that in the present construct of the formula, his value addition will be dependent on value addition by his suppliers.</p>	
312.	<p>Document: Programme Agreement</p> <p>Clause: Schedule E, of Programme Agreement Page 68</p> <p>Query: Clarification on coverage of deduction to be made for the purpose of computation of value addition</p> <p>Calculation of the value addition requires deduction of “<i>cost of the material whose source of origin is not available/ cannot be ascertained</i>”, from the sale price.</p> <p>Please clarify the scope of the said entry, as to what circumstances under which the source of origin shall be held to be unascertainable.</p> <p>An illustrative example may be provided to understand the scope and coverage of the said entry.</p>	Please refer to addendum-1
313.	<p>Document: RFP</p> <p>Clause: 1.1.3 of the RFP Page 6</p> <p>Query: Clarification on computation of value addition at the mother unit level.</p> <p>As per clause 1.1.3 of the RFP, the selected bidder is required to achieve a minimum value addition of 25% within two years from the appointed date, <u>at the mother unit level.</u></p>	Standard bid condition prevails.

	<p>For calculation of the value addition, formula prescribed in the scheme allows addition of <i>“Actual value added by the ancillary units or domestic manufacturers”</i>.</p> <p>Clarity is required whether:</p> <ul style="list-style-type: none"> - The same formula can be used for calculating the minimum value addition of 25% at mother unit level? - Or, whether the actual value added by ancillary units or domestic manufacturers needs to be excluded for calculating the 25% value addition, at the mother unit level? <p>Say, the sale price of ACC is Rs. 100 and the cost of various raw materials, fuel etc. is Rs. 80. Further, value addition by domestic manufacturer is Rs. 10.</p> <p>In the above case, whether the value addition at the mother unit level would be Rs. 30 (100-80+10) Or, Rs. 20 (100-80)?</p>	
314.	<p>Document: RFP</p> <p>Clause: 2.2.15 of the RFP Page 21</p> <p>Query: <u>Clarification on financial year to be considered for computation of net worth</u></p> <p>Clause 2.2.15 prescribes as under: <i>“.....in the event that the Bid Due Date falls within 3 (three) months of the closing of the latest financial year of a Bidder, it shall ignore such financial year for the purposes of its Bid and furnish all its information and certification with reference to the latest financial year.....”</i></p> <p>The above clause appears to be contradictory in as much as, on one hand, it requires to ignore the latest financial year where the bid due date falls within three months of the closing date of the such financial year, but on the other hand requires to provide all the information with reference to such financial year.</p>	Please refer to Addendum – 1.

	<p>Further, no clarity has been provided as to the year/ period to be considered where the bid due date falls beyond the close of latest financial year.</p> <p>It is our understanding that, where the bid due date falls within 3 months of the close of the financial year of the bidder, the information and certification should be provided for the previous financial year, and where the bid due date falls beyond 3 months of the close of the financial year of the bidder, the information and certification should be provided for the latest concluded financial year.</p> <p>Kindly confirm our above understanding.</p> <p>E.g.</p> <p>A) If the bid due date is 31 December 2021, and the financial year of the bidder ends on 31 March 2021, then please clarify the period for which the information and certification needs to be furnished?</p> <p>B) Alternatively, if the bid due date is 31 December 2021, and the financial year of the bidder ends on 31 October 2021, please clarify the period for which the information and certification needs to be furnished?</p>	
315.	<p>Document: RFP</p> <p>Clause: 2.2.4 of RFP Page 12</p> <p>Query: Clarification on net worth certificate(s) to be obtained from auditor(s)</p> <p>In terms of Para 2.2.4 of the RFP, certificate from a reputed auditor, specifying the Net Worth as per IFRS is required to be submitted along with the bid.</p> <p>Further, the said clause also prescribes that a certificate from statutory auditors of the Bidder or its Associates specifying the Net Worth of the Bidder shall be required to be submitted.</p>	Please refer to Addendum – 1.

	Please clarify/ confirm if statutory auditor certificate can be obtained in all cases?	
316.	<p>Document: Programme Agreement</p> <p>Clause: Definition of investment in Clause 1.1 of the Programme Agreement Page 7</p> <p>Query: Clarification on includibility of certain expenses in computing eligible investment</p> <p>The eligible investment includes “<i>Expenditure incurred on Plant, Machinery, Equipment and Associated Utilities</i>”</p> <p>Kindly clarify if the following expenditure will be includible for the purposes of computing the amount of eligible investments:</p> <ol style="list-style-type: none"> 1. Plant/ factory building 2. Administrative/ office building 3. Civil works being the foundation of the plant <p>Associated infrastructure, e.g. internal roads in the factory premises, boundary walls etc</p>	Standard bid condition prevails.
317.	<p>Document: Programme Agreement</p> <p>Clause: Clause 3(h) of Schedule E to the Programme Agreement, Page 69</p> <p>Query: Clarification on computation of value addition in case of manufacture and sale of battery packs</p> <p>In terms of clause 3(h) of Schedule E to the Programme Agreement, in case where the Beneficiary Firm is also engaged in manufacture of battery packs and Value Addition till the cell stage could not be determined as per the prescribed formula, the percentage of value added calculated needs to be reduced by the fraction</p>	MHI will release a notification in the due course

	<p>of battery pack in the total battery value produced to calculate the percentage of value added to manufacture ACCs.</p> <p>In case of sale of battery packs (and not ACC), please clarify as to how the “fraction of battery pack” in the total battery pack value would be determined, which represents the value towards battery pack, so as to arrive at the value addition at the ACC level.</p> <p>Remarks: For example, the manufacturer sells battery packs at INR 10,000 and the value addition determined by applying the prescribed formula comes to 30%. In the said case, please clarify the basis on which “fraction of battery pack” would be determined in the overall value of battery pack so as to arrive at the value addition at the ACC level.</p> <p>That is to say, in the example provided in the specimen programme agreement, please clarify the methodology to calculate the value of 34% (mentioned as the fraction of battery pack).</p>	
318.	<p>Document: RFP</p> <p>Clause: 1.2.2 of the RFP Page 7</p> <p>Query: Clarification on furnishing of bid security in case of consortium</p> <p>As per clause 1.2.2 of the RFP, Bidder is required to furnish a bid security of INR 10 crore in the form of bank guarantee.</p> <p>In the case of bid by a consortium, the RFP does not specifically requires the lead member to furnish the said bid security.</p> <p>Given the same, we understand that any member of the consortium can furnish the bid security.</p> <p>Kindly confirm the above understanding.</p>	<p>Bid security will be issued by the lead member only, Standard bid condition prevails.</p>