

REQUEST FOR PROPOSAL

For

Selection of Manufacturers for Setting Up 10 GWh Manufacturing Capacities for Advance Chemistry Cell (ACC) under the Production Linked Incentive (PLI) Scheme

Date: 22nd March 2024

RESPONSE TO THE QUERIES

S. No.	Query	Response
1.	<p>Document: RFP</p> <p>Query (Clause: 1.2):</p> <p>As per RFP, the non refundable cost of the RFP process is INR 4.5 Lakhs. Is it including or excluding 18% GST?</p>	<p>The relevant clause is self-explanatory.</p>
2.	<p>Document: RFP</p> <p>Query (Clause: 1.1.2 & 2.2.5):</p> <p>In terms of clause 1.1.2 the ‘individual’ can also bid for the PLI ACC bid and would be covered under the definition of ‘bidder’.</p> <p>However, in terms of clause 2.2.5 the RFP the bidder is required to submit the Net Worth certificate from the Statutory Auditor.</p> <p>The terms Statutory Auditor has neither been defined under the RFP nor under the PA. Thus, we request you to please provide a clarification whether the statutory auditor would also include the ‘tax auditor’ in case of individual as the Companies Audit would not be applicable on individual. Since this can potentially be an impediment for the individual bidders. or in a case where a Consortium is relying on Financial Capacity of “Associate” (who is an individual), please provide the necessary clarification.</p>	<p>In case of individual bidder(s), net worth certificate duly signed and stamped by applicable auditor would also be acceptable.</p>
3.	<p>Document: RFP</p> <p>Query (Clause: 1.1.2):</p> <p>As per Clause 1.1.1 of the RFP, it is noted that the bidder can be an individual. Consequently, it is possible for an individual to bid for this ACC PLI.</p>	<p>The relevant clause is self-explanatory.</p>

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	<p>Given this, it is comprehended that all conditions outlined within the bid must be satisfied by the individual, including the formation of the SPV post the allocation of the bid. Please clarify.</p>	
<p>4.</p>	<p>Document: RFP Query (Clause: 1.1.3): "We request Tendering authorities to kindly confirm the timeline considered of 2 and 5 years is from the appoint date i.e. the date on which the agreement will be signed between the Successful bidder and Ministry of Heavy Industries. Also, kindly confirm that the period of 2 years for value addition is the time period given to bidder for setting up of manufacturing facility."</p>	<p>The relevant clause is self-explanatory.</p>
<p>5.</p>	<p>Document: RFP Query (Clause: 1.1.3): As per bidder understanding, the timeline to commission the awarded manufacturing capacity will be 2 years. Kindly confirm.</p>	<p>The relevant clause is self-explanatory.</p>
<p>6.</p>	<p>Document: RFP Query (Clause: 1.1.3): Kindly confirm if there is any fix timeline to sign this agreement with state govt.</p>	<p>The relevant clause is self-explanatory.</p>
<p>7.</p>	<p>Document: RFP Query (Clause: 1.1.3): Kindly confirm if bidder changes the location at later stage, will this agreement be allowed to revise and resubmit accordingly.</p>	<p>The relevant clause is self-explanatory.</p>
<p>8.</p>	<p>Document: RFP Query (Clause: 1.1.3): Milestone 1 certificate requires certification regarding necessary investment (PA Schedule O point 1) made at the end of 2 years. Is it mandatory to quote some committed capacity by the end of 2nd year or will the bidder have flexibility to</p>	<p>The relevant clause is self-explanatory.</p>

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	quote first committed capacity from 1st quarter of 3rd year?	
9.	<p>Document: RFP</p> <p>Query (Clause: 1.2.1):</p> <p>The payment was processed in accordance with provisions of RFS within the timelines to the designated bank account. We request to kindly issue the tax invoice for the payment made by bidder for accounts purpose.</p>	The relevant clause is self-explanatory.
10.	<p>Document: RFP</p> <p>Query (Clause: 1.2.1):</p> <p>If a bidder’s facility is commissioned in 1 year (4 quarters), the bidder would be eligible to receive subsidy from 5th quarter as per the subsidy phasing schedule but would the subsidy be disbursed only after Milestone 1 certificate issuance at the end of 2nd year as per PA 6.2.8 & 10.2?</p>	The relevant clause is self-explanatory.
11.	<p>Document: RFP</p> <p>Query (Clause: 1.2.1):</p> <p>For the Purposes of evaluation, in case of a Consortium, Combined credentials of the consortium members (as defined hereinafter) Shall be considered for satisfying the qualification criteria specified in Clause 2.2.3. Lead Member will be the member with highest Net worth.</p>	The relevant clause is self-explanatory.
12.	<p>Document: RFP</p> <p>Query (Clause: 1.2.2):</p> <p>Kindly confirm that for Bid capacity of 10 GWh also, the BG amount applicable will be cumulative 10 Cr and not more than that.</p>	The relevant clause is self-explanatory.
13.	<p>Document: RFP</p> <p>Query (Clause: 1.2.2):</p> <p>“We request your good office to kindly provide the provisions in RFS and this clause for Bid security to kindly allow Payment on Order Instrument (POI) as an alternative to submission of Bid security wherein the Bidder also has an option to submit a letter of undertaking issued by either of the following three organizations, viz. (I) Indian Renewable</p>	The relevant clause is self-explanatory.

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	<p>Development Agency Limited (IREDA) or (ii) Power Finance Corporation Limited or (iii) REC Limited.</p> <p>The same provisions are being followed and acceptable in the bids of entities such as SECI, NTPC, and other REIAs and tendering authorities as well.”</p>	
14.	<p>Document: RFP</p> <p>Query (Clause: 2.15.3):</p> <p>We request your office to kindly allow and provide the two no. of additional days beyond the date of online submission to facilitate bidders to submit the documents which are required to submit in hard copy.</p>	<p>The relevant clause is self-explanatory.</p>
15.	<p>Document: RFP</p> <p>Query (Clause: 2.15.4):</p> <p>We request your good office to kindly provide the details of concern official to whom we can discuss the queries in between or contact if required with regard to tender.</p>	<p>The relevant clause is self-explanatory.</p>
16.	<p>Document: RFP</p> <p>Query (Clause: 2.2.1 d & 2.2.2):</p> <p>Can a consultant associated with GoI's previous round of Battery PLI be used by a bidder without disqualification?</p>	<p>The relevant clauses are self-explanatory.</p>
17.	<p>Document: RFP</p> <p>Query (Clause: 2.2.1(d) and 2.2.3):</p> <p>On perusal of above clause, we understand that the Net Worth of Associate could also be considered evaluating the Net Worth criteria of Bidder. As per Clause 2.2.1 the Associate may include an individual who controls the bidder. Notably, an Associate can be either a corporation (with ownership exceeding 50%) or a non-corporation (with power to direct the management and policies of the bidder).</p> <p>Consequently, we understand that if the Bidder is a Company, its Promoter —holding controlling stake in the bidder as per the above definition, would also be qualify as an Associate, as the Promoter is having the power to direct the management and policies of such Bidder. Therefore, the net worth of the Promoter could also be considered while evaluating the Company’s bid to meet the net worth criteria. Therefore, the Bid can be filed by the Company.</p> <p>In view of the above, please clarify if the Bid can be filed by a Company individually (and not as a consortium) by using</p>	<p>In case of individual bidder(s), net worth certificate duly signed and stamped by applicable auditor would also be acceptable.</p> <p>The relevant clauses are self-explanatory.</p>

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	<p>the net worth of associate (having 100% shareholding) in said company i.e. Bidder. RFP however does not prescribe any format for Net worth Criteria of Associate in case of Associate being an individual. The terms Statutory Auditor has neither been defined under the RFP nor under the PA. Thus, we request you to please provide a clarification whether the statutory auditor would also include the ‘tax auditor’ Net worth certificate provided by the tax auditor would be provided as documentary evidence of Net worth. Please confirm.</p>	
18.	<p>Document: RFP Query (Clause: 2.2.10): We request you to clarify whether a new SPV is required to be formed by the bidders who were awarded capacity under Tranche 1 of ACC Battery PLI scheme, or the same SPV can be continued for this Tranche of ACC Battery PLI scheme to implement the Project.</p>	The relevant clause is self-explanatory.
19.	<p>Document: RFP Query (Clause: 2.2.11): Kindly confirm that the Subsidy which Bidder will be awarded under this Bid and the subsidy / incentive/ benefits which bidder get from independent states will be exclusive of each other and bidder can claim both.</p>	The relevant clause is self-explanatory.
20.	<p>Document: RFP Query (Clause: 2.2.15): Will MHI be coordinating and obtaining National security and public interest perspective approval based on the documents submitted by the bidder? Is this approval in addition to the DPIIT approval as required under Order No. F.7/10/2021-PPD(1) regarding restrictions under rule 144(xi)?</p>	The relevant clause is self-explanatory.
21.	<p>Document: RFP Query (Clause: 2.2.15): Based on the dates mentioned in RFP, clarity required regarding the timelines for qualification as there is only 1 day gap between bid submission and technical bid opening.</p>	The relevant clause is self-explanatory.

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22.	<p>Document: RFP</p> <p>Query (Clause: 2.2.15a):</p> <p>As the bid is subject to approval being provided by the Government, will the same be provided during qualification (i.e before technical bid opening) or during the bid award stage?</p>	<p>The relevant clause is self-explanatory.</p>
23.	<p>Document: RFP</p> <p>Query (Clause: 2.2.15a/b):</p> <p>If an Indian Bidder dilutes <25% equity to DPIIT registered Chinese entity, will the bid be considered without the mentioned government approval in the following cases:</p> <ol style="list-style-type: none"> 1. At the time of the bid 2. At any stage after the bid 	<p>The relevant clause is self-explanatory.</p>
24.	<p>Document: RFP</p> <p>Query (Clause: 2.2.17):</p> <p>"Request to kindly confirm on below points:</p> <ol style="list-style-type: none"> 1. Kindly confirm if bidder can source the machinery to setup manufacturing plant from land border countries or not. E.g. Importing the machinery from China. 2. Kindly confirm if bidder can source the raw material for manufacturing during the manufacturing stage from land border counties or not say. China or other countries. 3. Kindly confirm the process to be followed if we intend to source the machinery or raw material at later stage for project from countries which shares land border with India." 	<p>The relevant clause is self-explanatory.</p>
25.	<p>Document: RFP</p> <p>Query (Clause: 2.2.17):</p> <p>Would ACC Manufacturing as part of the PLI qualify under Schedule II or Schedule III of the GFR Order if the bidder has a ToT arrangement with a Chinese OEM?</p>	<p>The relevant clause is self-explanatory.</p>
26.	<p>Document: RFP</p>	<p>The relevant clause is</p>

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	<p>Query (Clause: 2.2.17): Does an Indian Bidder need to specify the technology transfer agreement in the bid? If not, then can the Indian bidder tie up with a chinese company for ToT after being chosen as the selected bidder ? If the tie up is allowed after being selected as selected bidder, can the Indian bidder register with DPIIT after bid submission (at which stage)?</p>	self-explanatory.
27.	<p>Document: RFP Query (Clause: 2.2.3): "Kindly confirm if we as bidder are not an AIF and intends to bid for 10 GWh, than we will require to demonstrate the network of Rs. 1500 Cr. We understand bidder understanding is in line with RFS.</p>	The relevant clause is self-explanatory.
28.	<p>Document: RFP Query (Clause: 2.2.3): To reduce the Net worth to INR 200,00,00,000 (Rupees two hundred crore) per GWh.</p>	Provisions of the bid documents shall prevail.
29.	<p>Document: RFP Query (Clause: 2.2.8): Kindly confirm if the single / individual bidder also require to submit the Power or attorney or the bidder can only submit the Board resolution.</p>	The relevant clause is self-explanatory.
30.	<p>Document: RFP Query (Clause: 2.7.2): Can an Indian Bidder dilute 40% equity to a Chinese DPIT registered entity at any of the following stages: 1) bid submission 2) SPV formation 3)Program agreement execution 4) ACC manufacturing during subsidy disbursement</p>	Provisions of the bid documents shall prevail.
31.	<p>Document: RFP & Tripartite Agreement Query (Clause: 2.2.3 of RFP): Company "X" is a wholly owned subsidiary of Company "Y". Company "X" does not possess the necessary net worth to</p>	Provisions of the bid documents shall prevail.

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	<p>bid independently, and therefore seeks to leverage the net worth of Company "Y", a publicly listed company that meets the required criteria.</p> <p>In light of this, we kindly request clarification on the following matters:</p> <ol style="list-style-type: none"> 1. Can Company "X" qualifies for the bid if its parent company, Company "Y", meets the net worth requirements? 2. Would it be necessary to form a consortium between Company "X" and Company "Y", or can Company "X" participate in the bid on its own? 3. What would be the structure and conditions of a Special Purpose Vehicle (SPV) involving Companies "X" and "Y" if Company "X" were to win the bid under the aforementioned circumstances? 4. Given that Company "Y" has already signed a Memorandum of Understanding (MoU) with the state for the establishment of an ACC plant, would it be necessary for the SPV to sign a Tripartite agreement? If so, could you please clarify the process for this? 	
32.	<p>Document: RFP Query (Clause: 3.1.1): To reduce the Net worth to INR 200,00,00,000 (Rupees two hundred crore) per GWh.</p>	Provisions of the bid documents shall prevail.
33.	<p>Document: RFP Query (Clause: 3.1.3): Kindly confirm if the certificate to submit along with bid response duly certified by CA / statutory auditor.</p>	The relevant clause is self-explanatory.
34.	<p>Document: RFP Query (Clause: 3.2.1): Kindly confirm there is no minimum requirement of installation of ACC manufacturing capacity within 2 (two) years.</p>	Provisions of the bid documents shall prevail.
35.	<p>Document: RFP Query (Clause: 3.2.1): ""Commit Value Addition of 25% within 3 years and minimum 60% within 5 years from the Appointed Date. Reason: Any Indigenous Indian raw material manufacturer entering this domain, will grow in phased manner execution,</p>	Provisions of the bid documents shall prevail.

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	<p>given the financial constraints, non-secured raw material supply chain, skepticism in the demand side of the market. As domestic Upstream market is currently evolving, they will take minimum 3-4 years to be competitive with the overseas suppliers."</p>	
36.	<p>Document: RFP Query (Clause: 3.2.2): The illustration given in 3.2.2 is not clear. We request 3.2.2 to kindly elaborate more for further clarity.</p>	<p>The relevant clause is self-explanatory.</p>
37.	<p>Document: RFP Query (Clause: 3.3.3): Kindly add the illustration along with the clause for better understanding of the provisions.</p>	<p>The relevant clause is self-explanatory.</p>
38.	<p>Document: RFP Query (Clause: 3.3.3): Bidder requests to add Cycle life > 5000 & > 7500 in ACC subsidy matrix.</p>	<p>Provisions of the bid documents shall prevail.</p>
39.	<p>Document: RFP Query (Clause: 3.3.5): What is the rationale behind phasing down the base subsidy benchmark from year 4 (100%) to year 7 (43%)?</p>	<p>Provisions of the bid documents shall prevail.</p>
40.	<p>Document: RFP Query (Clause: 3.4.1): Kindly confirm from which table the value of ST and SF will be evaluated.</p>	<p>The relevant clauses are self-explanatory.</p>
41.	<p>Document: RFP Query (Clause: Annexure III and Appendix IX): As per GFR rules Procurement Order Number 4 dated 23 February 2023 of RFP), in case of ToT, the Beneficiary Firm shall be required to take approval only from MHI (and not of DPIIT), which shall be competent authority in this case.</p>	<p>The relevant clauses are self-explanatory.</p>

S. No.	Query	Response
	Please confirm.	
42.	<p>Document: RFP</p> <p>Query (Clause: Annex III Public Procurement Order Number 4 dated 23 February 2023 of RFP):</p> <p>Public Procurement Order Number 4, dated 23 February 2023, stipulates the necessity for the registration of 'specified Transfer of Technology' acquired from countries that share a land border and fall within the Sensitive Sector category or technology as outlined in the order.</p> <p>We understand that ACC manufacturing does not fall under the purview of the Sensitive Sector or technology (as above). Accordingly, if any information is required from obtaining technology from a person located in a country sharing land borders with India, the Beneficiary Firm shall be required to provide such information to MHI, which shall be competent authority in this case. Please confirm.</p>	Provisions of the bid documents shall prevail.
43.	<p>Document: RFP</p> <p>Query (Clause: Annex III Public Procurement Order Number 4 dated 23 February 2023 of RFP):</p> <p>It may be noted that the RFP for the first tranche of ACC PLI (Annexure III) did not have any requirement to give a declaration that there is “no transfer of technology” from a specified country. However, this specific condition has been introduced in the current RFP. This renders the bidders of current RFP to be in a disadvantageous position, considering the fact that technology is the backbone of ACC manufacturing.</p> <p>We request that this clause should be removed altogether to provide a level playing for earlier successful bidders and current bidders.</p>	Provisions of the bid documents shall prevail.
44.	<p>Document: RFP</p> <p>Query (Clause: Appendix X 6.1 & 6.3):</p> <p>Can the proportion of shareholding be changed during formation of the SPV against as mentioned in Joint Bidding Agreement? Apart from lead member, do other members of the bidding entity also have to follow any equity lock? If yes, kindly specify the period of suggested equity lock-in requirements.</p>	Provisions of the bid documents shall prevail.
45.	<p>Document: RFP</p> <p>Query (Clause: Appendix XI):</p>	Provisions of the bid documents shall prevail.

S. No.	Query	Response
	<p>Need following clarification:</p> <ol style="list-style-type: none"> 1. Whether SPV is required to be incorporated in all cases; 2. Expenditure incurred on Plant and Machinery, Equipment's and Associated Utilities would include only the expenditure capitalized to Plant and Machinery or even the expenditure under the Capital Work-in-Progress. 3. Whether the CWIP undertaken in one entity transfer to SPV could be considered as eligible investment as same has not been Capitalized or transfer to Fixed Assets 	
46.	<p>Document: RFP Query (Clause: APPENDIX- XII): We request to kindly provide the details - PAN Card, GST, and confirmation regarding MSME, if applicable. The same is required for internal vendor code process.</p>	Provisions of the bid documents shall prevail.
47.	<p>Document: RFP Query (Clause: <i>Not specified</i>): We request to kindly confirm regarding the Time period / timeline which will be considered for value addition criteria. Also, we request to kindly confirm how the Value addition evaluation will be done.</p>	Provisions of the bid documents shall prevail.
48.	<p>Document: RFP Query (Clause: <i>Not specified</i>): Kindly confirm how the fluctuation/changes in prices of raw material will be considered if it will impact the prices of end material.</p>	Provisions of the bid documents shall prevail.
49.	<p>Document: RFP Query (Clause: <i>Not specified</i>): Kindly confirm and provide the details of the methodology / SOP which will be followed for calculation of domestic value addition.</p>	Provisions of the bid documents shall prevail.
50.	<p>Document: RFP</p>	Provisions of the bid

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	<p>Query (Clause: Not specified): Kindly confirm if Bidder is allowed to place orders for machinery and other material requirements of plant prior to bid submission date.</p>	documents shall prevail.
51.	<p>Document: RFP Query (Clause: Not specified): Kindly confirm that bidder is allowed to utilize the SPV company which was registered by bidder earlier however, haven't utilized the same for any other purposes till date.</p>	Provisions of the bid documents shall prevail.
52.	<p>Document: RFP Query (Clause: Not specified): Kindly confirm if bidder is allowed to change the location / other details which bidder declared / submitted initially during the bid submission.</p>	Provisions of the bid documents shall prevail.
53.	<p>Document: RFP Query (Clause: Not specified): Inclusion of ≥ 150 Wh/kg energy density and ≥ 3000 cycle life</p>	Provisions of the bid documents shall prevail.

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	<p>ACC Eligibility Matrix:</p> <table border="1" data-bbox="304 304 1585 738"> <thead> <tr> <th colspan="2" data-bbox="304 304 593 427">ACCs</th> <th colspan="6" data-bbox="593 304 1585 363">Energy Density (Wh/Kg)</th> </tr> <tr> <th colspan="2" data-bbox="304 363 593 427"></th> <th data-bbox="593 363 748 427">≥ 50</th> <th data-bbox="748 363 913 427">≥ 125</th> <th data-bbox="913 363 1079 427">≥ 150</th> <th data-bbox="1079 363 1245 427">≥ 200</th> <th data-bbox="1245 363 1411 427">≥ 275</th> <th data-bbox="1411 363 1585 427">≥ 350</th> </tr> </thead> <tbody> <tr> <th data-bbox="304 427 409 738" rowspan="5">Cycle Life</th> <th data-bbox="409 427 593 486">≥ 1000</th> <td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <th data-bbox="409 486 593 545">≥ 2000</th> <td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <th data-bbox="409 545 593 604">≥ 3000</th> <td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <th data-bbox="409 604 593 663">≥ 4000</th> <td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <th data-bbox="409 663 593 738">≥ 10000</th> <td></td><td></td><td></td><td></td><td></td><td></td> </tr> </tbody> </table>	ACCs		Energy Density (Wh/Kg)								≥ 50	≥ 125	≥ 150	≥ 200	≥ 275	≥ 350	Cycle Life	≥ 1000							≥ 2000							≥ 3000							≥ 4000							≥ 10000							
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54.	<p>Document: Programme Agreement Query (Clause: 1.1): As some of the equipment manufacturers are providing design capacity of equipment in terms of Input capacity also, clarity required on Committed Capacity to be quoted is Design Input or Output capacity?</p>	Provisions of the bid documents shall prevail.																																																				
55.	<p>Document: Programme Agreement Query (Clause: 1.1): Whether the Word “Liquidated damages”, which has not been defined in Programme agreement, and word “Damages” shall be read interchangeably and scope of both is the same</p>	The relevant clauses are self-explanatory.																																																				
56.	<p>Document: Programme Agreement Query (Clause: Article 1): As per the current definition of the Mother unit, for the purpose of computing value addition and committed capacity activities done in single roof establishment will be considered. Hence, whether capacity and value add from two separate location of the same entity will be considered or not.</p>	The relevant clauses are self-explanatory.																																																				

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57.	<p>Document: Programme Agreement</p> <p>Query (Clause: Clause 1.1):</p> <p>Expenditure incurred on Land, Building, Dry room and dehumidification unit 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>	<p>The relevant clauses are self-explanatory.</p>
58.	<p>Document: Programme Agreement</p> <p>Query (Clause: 1.1):</p> <p>As per industry standard, scrap rates are 4-5%. Hence, “value addition” should exclude input cost of 5% that is towards such scrap.</p>	<p>Provisions of the bid documents shall prevail.</p>
59.	<p>Document: Programme Agreement</p> <p>Query (Clause: 1.2):</p> <p>Bidder understands that Appointed date shall be on commencement of “quarter” i.e. either April 1, July 1, October 1 or January 1. Since Programme agreement date is 18.10.2024 so appointment date shall begin from which quarter. Kindly confirm.</p>	<p>The relevant clause is self-explanatory.</p>
60.	<p>Document: Programme Agreement</p> <p>Query (Clause: 1.4.1):</p> <p>We suggest to include the effect of DoD (depth of discharge) in the cycle life. Instead of cycle, we suggest using full cycle equivalent defined as,</p> <p>Full cycle equivalent = cycle life x DoD of cycling</p> <p>For example, if there is 100Wh cell, cycled at 80% DoD and exhibits cycle life of 2000, its full cycle equivalent would be $2000 \times 0.8 = 1600$.</p> <p>This would ensure a level playing field between bidders suggesting different DoD.</p>	<p>Provisions of the bid documents shall prevail.</p>
61.	<p>Document: Programme Agreement</p>	<p>Provisions of the bid</p>

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	<p>Query (Clause: 1.4.2): Linear extrapolation of cycle life is would not give accurate results, as the capacity fade rate decreases with cycle. There is no standard process available for accelerated life cycle test. We suggest to consider at least two accelerated cycling (high rate or high temperature or both) and use these to estimate the claimed life at standard condition (25°C , 0.5C/0.5C). Among high temperature or high rate cycling, whichever has stronger effect on capacity fade can be considered. We suggest to perform accelerated degradation to be carried on until the actual EOL (End of Life) (i.e. 80% SOH (State of Health or whichever is the claimed EOL). In parallel, cell cycling at standard condition can continue. A relationship needs to be established between accelerated degradation and standard degradation methods. Here we can take either a simple curve fitting or a physics- based model or a ML (Machine Learning) assisted prognostic tool.</p>	<p>documents shall prevail.</p>
<p>62.</p>	<p>Document: Programme Agreement Query (Clause: 1.4.2.3 schedule D): 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. In such case, clarity is needed as to whether it is mandatory to follow the degradation curve as given in clause 1.4.2.4. 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>	<p>Provisions of the bid documents shall prevail.</p>
<p>63.</p>	<p>Document: Programme Agreement Query (Clause: 1.4.2.4 of Schedule D): 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. In such case, clarity is needed as to whether it is mandatory to follow the degradation curve as given in clause 1.4.2.4. 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>	<p>Provisions of the bid documents shall prevail.</p>

S. No.	Query	Response
64.	<p>Document: Programme Agreement</p> <p>Query (Clause: 4.8, 8.2, 8.3, 16.1 and 16.2):</p> <p>The penalty by way of adjustment of subsidy has been provided in Clause 8.2 and 8.3. Liquidated damages have been additionally prescribed under Clause 4.8. Termination has also been provided for in the Clause 16.1 and 16.2 in the event of a default.</p> <ul style="list-style-type: none"> - For the calculation of penalty, will there be any tolerance limit (+/- 5%)? Also, would companies get the benefit for any force majeure issues? - Will there would be any capping for invoking the performance security in proportion to non fulfilment of commitments? <p>In the event the value addition criteria is not met, the subsidy amount would be adjusted under Clause 8.3. The investor would be additionally liable to pay liquidated damages under Clause 4.8. This would result in levy of penalty twice for the same default.</p> <p>Suggestion:</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>	<p>Provisions of the bid documents shall prevail.</p>
65.	<p>Document: Programme Agreement</p> <p>Query (Clause: Article 5 (5.1k)):</p> <p>Can an Indian selected Bidder dilute 40% equity to an entity (which doesn't share land border with India) during any one of the following milestones: 1. SPV formation? 2. After Program Agreement execution? 3. During period of ACC manufacturing?</p>	<p>Provisions of the bid documents shall prevail.</p>
66.	<p>Document: Programme Agreement</p> <p>Query (Clause 6.2.4):</p> <p>With the given facts, in the place of Milestone 1, it has to be Milestone 2.</p>	<p>“Milestone 1” mentioned in in clause 6.2.4 of “ARTICLE 6 OBLIGATIONS OF THE PARTIES” of the Programme Agreement shall be read as</p>

S. No.	Query	Response
		“Milestone 2”.
67.	<p>Document: Programme Agreement</p> <p>Query (Clause 6.2.4): Does the committed capacity refer to the capacity committed in technical bid at the end of 2nd year or name plate capacity of the complete facility?</p>	Provisions of the bid documents shall prevail.
68.	<p>Document: Programme Agreement</p> <p>Query (Clause: 6.2.6, 6.2.7, 8.2, 8.3 and 11.9.3): Need clarification on the ceiling of the penalty. Is this the same as amount of performance security or limited to committed capacity for the purpose of the penalty under clause 8.2 of Programme agreement. 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>	Provisions of the bid documents shall prevail.
69.	<p>Document: Programme Agreement</p> <p>Query (Clause: 6.2.7/16.1.1): On perusal of above clauses, need clarification whether the performance security would be appropriated only after the 18 months of consecutive default or same may be appropriated on quarterly basis</p>	Provisions of the bid documents shall prevail.
70.	<p>Document: Programme Agreement</p> <p>Query (Clause: 6.2.7/16.1.1): On perusal of above clauses, need clarification whether the performance security would be appropriated only after the 6 quarters/ 18 months of consecutive default or same may be appropriated on quarterly basis.</p>	Provisions of the bid documents shall prevail.
71.	<p>Document: Programme Agreement</p> <p>Query (Clause: 6.2.9 and 16.2.2): On perusal of the 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</p>	The relevant clauses are self-explanatory.

S. No.	Query	Response
	<p>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>Require clarification whether the 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>	
72.	<p>Document: Programme Agreement</p> <p>Query (Clause: 6.2.9 and 16.2.2):</p> <p>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>	The relevant clauses are self-explanatory.
73.	<p>Document: Programme Agreement</p> <p>Query (Article 7):</p> <p>We request your good office to kindly provide the provisions in RFS and this clause for Bid security to kindly allow Payment on Order Instrument (POI) as an alternative to submission of Bid security wherein the Bidder also has an option to submit a letter of undertaking issued by either of the following three organizations, viz. (I) Indian Renewable Development Agency Limited (IREDA) or (ii) Power Finance Corporation Limited or (iii) REC Limited. The same provisions are being followed and acceptable in the bids of entities such as SECI, NTPC, and other REIAs and tendering authorities as well.</p>	Provisions of the bid documents shall prevail.
74.	<p>Document: Programme Agreement</p> <p>Query (Article 7):</p> <p>Kindly confirm that only below BGs towards Performance security will be applicable: 5 GW - Rs. 50 Cr and Upto 10 GW - Lumpsum Rs. 75 Cr. Bidder is not required to submit the BG of more than Rs. 75 Cr in any scenario. Kindly confirm.</p>	The relevant clause is self-explanatory.
75.	<p>Document: Programme Agreement</p> <p>Query (Article 7):</p> <p>Kindly confirm the validity of the PBG which bidder requires to submit</p>	Provisions of the bid documents shall prevail.

S. No.	Query	Response
76.	<p>Document: Programme Agreement</p> <p>Query (Clause: 7.1.2): Does the Performance Security beyond 5 GWh be considered on a pro rata basis of INR 5 Cr/GWh upto INR 75 Cr for 10 GWh?</p>	<p>The relevant clause is self-explanatory.</p>
77.	<p>Document: Programme Agreement</p> <p>Query (Clause: 7.2.2): We request you to remove replenishment of Performance Security within 15 days as this will further burden the Bidder.</p>	<p>Provisions of the bid documents shall prevail.</p>
78.	<p>Document: Programme Agreement</p> <p>Query (Article 8): We request to kindly incorporate the illustration for both 8.2 and 8.3 for better understanding and to avoid any error in understanding.</p>	<p>The relevant clauses are self-explanatory.</p>
79.	<p>Document: Programme Agreement</p> <p>Query (Clause: 8.2): 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 installed capacity and not the sale.</p>	<p>The relevant clause is self-explanatory.</p>
80.	<p>Document: Programme Agreement</p> <p>Query (Clause: 8.2): 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. Bidder understands that the maximum liability and deduction under the clause 8.2 shall be equivalent to the amount of Subsidy payable. Kindly clarify.</p>	<p>The relevant clause is self-explanatory.</p>

S. No.	Query	Response
81.	<p>Document: Programme Agreement</p> <p>Query (Clause: 8.2, 8.3 and ANNEXURE 1):</p> <p>In case maximum penalty is on account of committed capacity not fulfilled within the said quarter, then only that penalty will be levied and not both – need confirmation.</p>	<p>The relevant clauses are self-explanatory.</p>
82.	<p>Document: Programme Agreement</p> <p>Query (Clause: 8.3, Article 8):</p> <p>Clause 8.3 under Article 8 of Programme Agreement defines “damages” to be deducted from the winning bidder’s subsidy calculation in case of shortfall in meeting committed value addition.</p> <p>Can an illustration be provided for this just like the illustration provided in Clause 8.2 for shortfall in meeting committed capacity?</p>	<p>The relevant clause is self-explanatory.</p>
83.	<p>Document: Programme Agreement</p> <p>Query (Clause: 11.7):</p> <p>Please clarify definition of sale price in context of (a) domestic sale and (b) export sale. For e.g., clarity is needed whether sale price can include logistics cost etc.</p>	<p>The relevant clause is self-explanatory.</p>
84.	<p>Document: Programme Agreement</p> <p>Query (Clause: 11.9.1):</p> <ol style="list-style-type: none"> 1. If a bidder produces different ratings (Ah capacity and/or charge-discharge rate) of cells, does bidder need to certify each kind of cells ? Please confirm. 2. Also, clarify incentive disbursement calculation criteria for other than 0.5C/0.5C cells (for example 0.1C/0.1C or 0.25C/0.25C or 1C/1C etc.). 	<p>The relevant clause is self-explanatory.</p>
85.	<p>Document: Programme Agreement</p> <p>Query (Clause: 12.3):</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>The relevant clause is self-explanatory.</p>

S. No.	Query	Response
	Whether Beneficiary need to procure such certificate in end of each quarter	
86.	<p>Document: Programme Agreement</p> <p>Query (Clause: 14.2b):</p> <p>We suggest that the exclusion of beneficiary firm, contractor or their respective employees/ representatives or attributable to any act or omission of any of them, from the applicability of Force Majeure event may be removed, as any strike/ boycotts at beneficiary firm/ their contractors could severally affect the implementation of the project, which could be beyond the reasonable control of the Beneficiary Firm/ its respective contractors/ employees.</p> <p>Further continuous or intermittent strikes, public issues, boycotts during office hours could also adversely affect the ability of the beneficiary firm to implement the project in a timely manner and may be explicitly covered under the agreement. The requirement of continuous period of 24 hours may not be met in all cases, as the strikes could be only during office hours of the day and will be continuing in nature without meeting the requirement of 24 hours. Hence, we request to modify the clause as follows:</p> <p>Clause 14.2(b)</p> <p>strikes or boycotts, public issues, civil disturbances interrupting supplies and services to the Project during its normal office / working hours during any relevant day.</p>	Provisions of the bid documents shall prevail.
87.	<p>Document: Programme Agreement</p> <p>Query (Clause: 16.1e):</p> <p>Event of Default is a critical provision under the agreement which is not expected to be triggered owing to any mere breach of obligations, which may not have any impact on the project.</p> <p>Suggestion:</p> <p>We request to delete this clause or alternatively modify the clause as follows: “breach of any other material obligations under this agreement”</p>	Provisions of the bid documents shall prevail.
88.	<p>Document: Programme Agreement</p> <p>Query (Clause: 18.5.1b):</p> <p>The beneficiary firm will have lot of dependencies on the Government, State Government, and Government Instrumentalities for execution of the project. As understood the liability of beneficiary firm is not limited as per the</p>	Provisions of the bid documents shall prevail.

S. No.	Query	Response
	<p>agreement. Suggestion: In the above backdrop, we request that the liability of beneficiary firm under this agreement may be restricted to the amount of subsidies receivable under this agreement. We also request that the indirect losses and damages may be specifically excluded. Hence, the clause may be modified accordingly.</p>	
89.	<p>Document: Programme Agreement Query (Annex – I Subsidy Determination Form, Schedule - B): As per Sr. No. (a) of Annex – I i.e. Subsidy Determination Form, we understand that the quantity of cells sold during the quarter for which the subsidy disbursement claim will be filed by the beneficiary firm will be required to be reported. We wish to understand that whether the quantity of cells sold from the capacity installed from the earlier investment made for ACC Battery would also be included to arrive at the quantity of cells sold during the quarter, or the quantity of cells sold from the investment made after the appointed date for this second Tranche of ACC Battery PLI Scheme would only be considered to determine the eligible subsidy amount.</p>	Provisions of the bid documents shall prevail.
90.	<p>Document: Programme Agreement Query (Schedule – E): Kindly confirm if the incentives to Bidder will be linked to the sale of product or disbursement of incentives will be independent of Sales.</p>	The relevant clause is self-explanatory.
91.	<p>Document: Programme Agreement Query (Schedule D (1.4.2.2)): Kindly elaborate on how the position change in ACC matrix is considered and the suggested suitable penalty to be paid by the bidder. Also, kindly specify the applicable penalties in case the position change results in life cycle entering non shaded area.</p>	Provisions of the bid documents shall prevail.
92.	<p>Document: Programme Agreement Query (Schedule D and E): Given the above, for a Beneficiary firm committing to manufacturer ACC with 2000 or 4000 complete cycle life, the</p>	Provisions of the bid documents shall prevail.

S. No.	Query	Response
	<p>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, pre-condition 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>	
93.	<p>Document: Programme Agreement</p> <p>Query (Schedule D and E):</p> <p>Given the estimated time period required to perform the cycle life test (full or even partial), which is a pre-condition to complete, for disbursement of subsidy under the Scheme, it may lead to substantial delay in receipt of subsidy which may not be in favour of the interest of the Beneficiary Firm</p>	Provisions of the bid documents shall prevail.
94.	<p>Document: Programme Agreement</p> <p>Query (Schedule D, Clause: 1.3.3.2):</p> <p>“The global trend is any battery chemistry the Energy density is calculated based on Rated Capacity as per the manufacturer and not on the 80% of Rated capacity.</p> <p>We request you to consider 100% for calculation of Energy Density”</p>	Provisions of the bid documents shall prevail.
95.	<p>Document: Programme Agreement</p> <p>Query (Schedule E):</p> <p>As mentioned during pre-bid conference, we would request a detailed Standard Operating Procedure (‘SOP’) to be provided, explaining how Local Value Addition will be calculated.</p>	Provisions of the bid documents shall prevail.
96.	<p>Document: Programme Agreement</p> <p>Query (Schedule E, Clause: 3)):</p> <ul style="list-style-type: none"> - In this regard, need confirmation whether value added confirmation by statutory certificate of Tier 1 supplier will suffice to provide VA. - Need confirmation on whether cost of Raw Material from ancillary unit and/or domestic manufacturers would be considered when calculating the VA. 	Provisions of the bid documents shall prevail.

S. No.	Query	Response
	<p>If RM cost is not included, then growth in % VA can only come from decreasing RM cost and/or higher sales price, which is counter intuitive. Need clarification.</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.</p> <p>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. This makes achieving VA targets right from start of production very difficult.</p> <p>Since this agreement entails damages/ penalties on the firm and may also result in termination of the Agreement, consider providing additional time to localise.</p>	
97.	<p>Document: Programme Agreement</p> <p>Query (Schedule E, Clause: 3):</p> <p>If a cell manufacturer plans to setup an in-house battery chemicals plant (which will supply certain materials/components to the cell manufacturing plant), would those material/components be eligible to be counted towards LVA?</p>	Provisions of the bid documents shall prevail.
98.	<p>Document: Programme Agreement</p> <p>Query (Schedule E, Clause: 3):</p> <p>Q1- Please confirm whether cost of raw material would also include cost of fuel, if yes than why cost of fuel reduced separately in the Value-Add formula.</p> <p>Q2- Further, as per the Value-add formula – Cost of fuel consumed, if eligible for GST input credit is to be reduced while computing the Value addition. Whether is there any logic to not consider the fuel for which input credit is not availed.</p>	Provisions of the bid documents shall prevail.
99.	<p>Document: Programme Agreement</p> <p>Query (Schedule G):</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> <p>Cycle life shall be considered on pro rata basis between 125 Wh/Kg & 4000 Cycles and 200 Wh/kg & 2000 Cycles. The</p>	Provisions of the bid documents shall prevail.

S. No.	Query	Response
	basis shall be the Energy density for such prorated cycle life calculation.	
100.	<p>Document: Programme Agreement</p> <p>Query (Schedule – J): Kindly confirm in case if the bidder/manufacturer purchases the raw material from a supplier who may have procured / imported the material from some other country, in that scenario, how the local value addition will be calculated. Will the zero point be considered as the company from where Manufacturer have procured"</p>	Provisions of the bid documents shall prevail.
101.	<p>Document: Programme Agreement</p> <p>Query (Schedule – J): Kindly confirm if the value addition will be calculated based upon the actual value of end product or the sale value of Product which will include the profit margins in it</p>	Provisions of the bid documents shall prevail.
102.	<p>Document: Programme Agreement</p> <p>Query (Schedule – J): Kindly confirm if bidder sells the end product to its group company / sister concern, how the same will be treated.</p>	Provisions of the bid documents shall prevail.
103.	<p>Document: Programme Agreement</p> <p>Query (Schedule – K): Kindly confirm if bidder will be allowed to change the details related to project location, PERT chart, timelines etc. as declared under schedule K once declared.</p>	Provisions of the bid documents shall prevail.
104.	<p>Document: Programme Agreement</p> <p>Query (Schedule – K): Kindly confirm if bidder is allowed to change the duration post declaration in this schedule.</p>	Provisions of the bid documents shall prevail.
105.	<p>Document: Programme Agreement</p> <p>Query (Schedule – N):</p>	The relevant clause is self-explanatory.

S. No.	Query	Response
	The meaning of CS_i is not clear. Kindly clarify and elaborate the details.	
106.	<p>Document: Tripartite Agreement</p> <p>Query (Clause: Not specified):</p> <p>As part of the ACC PLI Tranche 1 process, a lot of hurdles were faced in getting the tripartite agreement signed with the state government.</p> <p>Moreover, in light of the upcoming state elections, getting the tripartite agreement signed with the state governments can be challenging, and code of conduct norms might be an issue. Hence, we request if we can have the agreement to be signed only between Central Government and Beneficiary.</p>	Provisions of the bid documents shall prevail.
107.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: Not specified):</p> <p>Can the winning SPV acquire / secure transfer / rent assets from another company with:</p> <ul style="list-style-type: none"> - An operational cell manufacturing facility - An under construction cell manufacturing facility (yet to be operationalized) 	Provisions of the bid documents shall prevail.
108.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: Not specified):</p> <p>Could you please clarify the proposed operating conditions for calculating cycle life? (any defined operating voltage ranges, etc)</p>	Provisions of the bid documents shall prevail.
109.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: Not specified):</p> <p>How is committed & commissioned capacity calculated?</p> <ul style="list-style-type: none"> - Can a player setup multiple lines which are all capable of manufacturing PLI eligible cells but decide to sell & secure PLI subsidy on partial cell sales in line with market requirements? 	Provisions of the bid documents shall prevail.
110.	Document: <i>Not specified</i>	Provisions of the bid

S. No.	Query	Response																		
	<p>Query (Clause: Not specified): Same manufacturing capacity can be used to manufacture stationary storage & mobility cells - how will this be treated?</p>	documents shall prevail.																		
111.	<p>Document: Not specified Query (Clause: Not specified): What are the timelines for issue & award of proposed MHI ACC PLI?</p>	Provisions of the bid documents shall prevail.																		
112.	<p>Document: Not specified Query (Clause: Not specified): In case we have direct pack or module sales to customers which would include own manufactured cells, would the cell sales be counted in total sales eligible for subsidy</p>	Provisions of the bid documents shall prevail.																		
113.	<p>Document: Not specified Query (Clause: Not specified): In case we have export sales to customers which would include own manufactured cells, would the cell sales be counted in total sales eligible for subsidy</p>	Provisions of the bid documents shall prevail.																		
114.	<p>Document: Not specified Query (Clause: Not specified): Are the accrued revenues that are accounted for whilst calculating revenue cap for subsidy payout inclusive of all cells that are manufactured in facility (even those that are not eligible for subsidy or sold for non transport use cases (e.g. stationary storage))</p>	Provisions of the bid documents shall prevail.																		
115.	<p>Document: Not specified Query (Clause: Not specified):</p> <table border="1" data-bbox="241 1305 1785 1417"> <thead> <tr> <th data-bbox="241 1305 432 1417"></th> <th data-bbox="432 1305 602 1417">FY 2022-23</th> <th data-bbox="602 1305 772 1417">FY 2023-24</th> <th data-bbox="772 1305 958 1417">FY 2024-25</th> <th data-bbox="958 1305 1126 1417">FY 2025-26</th> <th data-bbox="1126 1305 1294 1417">FY 2026-27</th> <th data-bbox="1294 1305 1462 1417">FY 2027-28</th> <th data-bbox="1462 1305 1630 1417">FY 2028-29</th> <th data-bbox="1630 1305 1785 1417">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="241 1417 432 1426"></td> <td data-bbox="432 1417 602 1426"></td> <td data-bbox="602 1417 772 1426"></td> <td data-bbox="772 1417 958 1426"></td> <td data-bbox="958 1417 1126 1426"></td> <td data-bbox="1126 1417 1294 1426"></td> <td data-bbox="1294 1417 1462 1426"></td> <td data-bbox="1462 1417 1630 1426"></td> <td data-bbox="1630 1417 1785 1426"></td> </tr> </tbody> </table>		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total										Query not pertaining to the bid documents.
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total												

S. No.	Query							Response	
	Outlay Rs. In crore	Setting up of manufacturing facilities	2,700	3,800	4,500	4,300	2,800	18,100	
	DVA	25%	26%~ 60%						
	Investment	Rs. 225 crs/Gwh						Rs. 225 crs/Gwh	
	To provide clear map on 7 Years of scheme period for new entrants.								
116.	Document: <i>Not specified</i> Query (Clause: <i>Not specified</i>):							Provisions of the bid documents shall prevail.	
Particulars	Penalty Article 6			Damages Article 8					
Time Effect of clause	Not achieved within the stipulated time			Achieved less than the committed values					
Nature of effect	0.1% of performance security provided per day of delay			To the extent not achieved - Reduced from the subsidy granted					
Milestone 1 certificate	Not obtained – Penalty to pay			No incentives					
Committed capacity	Not achieved - Penalty to pay			Difference (2X) to be deducted from subsidy					
Committed value addition	Not achieved - Penalty to pay			Difference to be deducted from subsidy, in case of negative to be adjusted in subsequent Qtrs.					
	a. Both Penalty & Damages will be applied in case of default?								

S. No.	Query	Response
	<p>b. Basis of calculation of value of deduction from Subsidy? Eg. Committed 50% VA, achieved 40% - Difference 10% to be deducted from Subsidy. How this 10% will be computed ? or Subsidy will be given for 30%?</p> <p>c. If there is no incentive to adjust, how the damages will be recovered? For example, during 6th year, 60% VA to be achieved for claiming incentive, only 40% achieved, how the damages to the extent of 20% will be recovered?</p>	
117.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>Kindly elaborate on requirements of SPV, roles & responsibilities? Investment has to be made by SPV?</p>	Provisions of the bid documents shall prevail.
118.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>What is the amount of penalty in-case of non-achievement of Milestone 2.</p> <ul style="list-style-type: none"> • Is it limited to non-payment of further incentives? • Performance security penalty to the tune of Bid security or complete performance security. (10 Cr : Bid Security , 75 Cr : Performance Security [10GWH]) <p>Will non achievement of milestone 2 impact on the incentive already earned?</p>	Provisions of the bid documents shall prevail.
119.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>If a bid winner backs out due to whatsoever reason, will the allotted capacity be allocated to the next in-queue bidder, or a separate PLI Tranche would be issued for it?</p>	Provisions of the bid documents shall prevail.
120.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>If a bid winner is not able to demonstrate a working cell as per testing conditions stated in the agreement, will they be disqualified, with their capacity being allocated to the next in-queue bidder?</p>	Provisions of the bid documents shall prevail.

S. No.	Query	Response
121.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>What process/procedures will be enforced to protect beneficiary IP (as periodic report submissions contain cell IP related details)?</p>	Provisions of the bid documents shall prevail.
122.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>What process/procedures (site visits, submissions etc.) will be followed to monitor beneficiary progress?</p>	Provisions of the bid documents shall prevail.
123.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>We request you to allow an existing entity to bid for ACC PLI Tranche 2. If allowed, we request you to clarify the specific reporting requirements to be provided from "divisional" perspective relating solely to the execution of the ACC PLI Tranche 2 project.</p>	Provisions of the bid documents shall prevail.
124.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>How will the PLI disbursement be calculated if the capacity under ACC PLI Tranche 1 and 2 are commissioned at the same location?</p>	Provisions of the bid documents shall prevail.
125.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>Will the winning bidder be eligible to draw subsidy if it were to sell part or all of its production output to international markets?</p>	Provisions of the bid documents shall prevail.
126.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>In light of the LVA requirements for eligibility as per this scheme, we suggest adding a condition of 25% or more LVA</p>	Query not pertaining to the bid documents.

S. No.	Query	Response
	requirement as part of BESS tenders issued from government organizations like SECI. This would help in realizing ACC capacity committed in PLI.	
127.	<p>Document: <i>Not specified</i></p> <p>Query (Clause: <i>Not specified</i>):</p> <p>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>	Clarification is attached as Annexure-I.

Clarification on manufacture and sale of multiple chemistries

Bidders / manufacturers have the freedom to manufacture and sell multiple chemistries.

Bidder has to cumulate committed capacities and value addition for all chemistries while committing the same in bidding stage. Bidder has to quote the value addition and committed capacity at the enterprise level / beneficiary firm level considering all types of chemistry envisaged to be manufactured.

For the purpose of determining value addition achieved by the bidder/ manufacturer, following mechanism would be followed:

Wt. Avg. Value Addition calculation: Overall value addition achieved by the manufacturer shall be determined as the weighted average of individual Value Addition of each chemistry.

For e.g., If manufacturer sells “x” GWh of Chemistry 1 with “VA1%” value addition and “y” GWh of Chemistry 2 with “VA2%” value addition during a particular quarter, the weighted average of Value Addition should be calculated as follows:

$$Wt. avg. Value Addition = \frac{x \times VA1\% + y \times VA2\%}{(x + y)}$$

Testing and subsidy disbursement

For subsidy disbursement, testing of all chemistries will be undertaken as per testing framework specified in Schedule – D. Manufacturer will conduct separate Energy Density and Cycle Life tests for each of its chemistry.

The final Energy Density and Cycle Life for determination of subsidy shall be the weighted average of individual Energy Density and Cycle Life of each chemistry.

For e.g., if the manufacturer sells “x” GWh of Chemistry 1 having “ED1” Wh/Kg and “CL1” as the Energy Density and Cycle life respectively, and “y” GWh of Chemistry 2 with “ED2” Wh/Kg and “CL2” as the Energy Density and Cycle life respectively, the weighted average Energy Density and Cycle life in this case shall be:

$$Wt. avg. Energy Density = \frac{x \times ED1 + y \times ED2}{(x + y)}$$

$$Wt. avg. Cycle Life = \frac{x \times CL1 + y \times CL2}{(x + y)}$$

Clarification on manufacture and sale of multiple chemistries

The formula for subsidy calculation in case of sales of multiple chemistries would be: Fixed amount per kilowatt hour or effective subsidy X (multiplied) Percentage of wt. avg. Value Addition achieved during the period or the Value Addition specified in the technical bid of the Beneficiary Firm, whichever is lower X (multiplied) Actual production of all the Advance Chemistry Cell sold (in KWh).

For determining the subsidy as per above formula,

- the wt. avg. Energy Density and Cycle Life, as calculated above, will be used to determine the position in the ACC matrix as per Schedule-G.
- The fixed amount per kilowatt hour is calculated as multiplication of base Subsidy factor for the applicable Advanced Chemistry Cell with effective phasing of base Subsidy as indicated in Article 11 of the Programme Agreement.
- Wt. avg value addition of all ACC chemistries as calculated above and actual production of all ACC chemistries during this quarter would be used.

Note: Similar reasoning and methodology shall also be used for truing up of subsidy payments in case of deviation in cycle life test results as mentioned in Schedule-N of the Programme Agreement.
