

REQUEST FOR PROPOSAL

For

Selection of Manufacturers for Establishing Integrated Sintered NdFeB Rare Earth Permanent Magnet Manufacturing Facilities under the Scheme to Promote Manufacturing of Sintered Rare Earth Permanent Magnet

Date: 09 June 2026

RESPONSE TO THE QUERIES

S. No.	Query	Response
1.	<p>Query Clause: 1.1.2/1.1.3</p> <p>Product Scope – Inclusion of Bonded Magnets: The scheme is limited to sintered NdFeB magnets and excludes bonded NdFeB magnets.</p> <p>Request:</p> <p>Extend the scope to include bonded NdFeB magnets, reflecting industry realities and prior investments.</p>	Provisions of the RFP shall prevail.
2.	<p>Query Clause: 1.1.6</p> <p>Query:</p> <p>We understand that the stated 1200 TPA of NdFeB REPM is the final finished saleable magnet quantity and not the Sintered NdFeB magnet blocks. Please confirm.</p>	The relevant clauses of the RFP are self-explanatory.
3.	<p>Query Clause: 1.1.6 & 3.1.2</p> <p>Raw Material Security & Sourcing</p> <p>IREL, a central public sector enterprise under DAE is the only company in India that is engaged in the mining of rare-earth ores and refining these into REOs. At present, its NdPr oxide production capacity is</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>400 (four hundred) MTPA which can support the production of approximately 1,200 (one thousand two hundred) MTPA of sintered NdFeB REPM.</p> <p>The procurement of NdPr oxide for production capacity shall be the sole responsibility of the Beneficiaries, who shall be required to make their own independent arrangements for procurement of NdPr oxide.</p> <p>Query:</p> <p>Given that raw material procurement remains the sole responsibility of the Beneficiary, and considering the strategic importance of upstream rare-earth supply chains, kindly clarify whether the Government intends to facilitate long-term NdPr linkage agreements, exploration support for domestic rare-earth mining, or import facilitation mechanisms (such as duty waivers or fast-track clearances) during the initial years? Furthermore, will the Ministry consider a specific Force Majeure carve-out for domestic raw material supply chain disruptions that are beyond the bidder's control?</p>	
4.	<p>Query Clause: 1.1.6 & Appendix XVI:</p> <p>Query: Assured supply of NdPr oxide from IREL</p> <ul style="list-style-type: none"> • Certain provisions under Clauses 2.5.3, 3.1.5, 3.1.9 and related clauses indicate that the supply of NdPr oxide from IREL is not binding and that bidders should not rely on its assured availability. In this context, the Letter of Comfort provided by IREL (Appendix XVI) does not provide sufficient assurance regarding long-term feedstock availability, which is critical for project viability and financial closure. <p>Suggested Clarification: It is requested to:</p> <ul style="list-style-type: none"> • Remove or suitably amend Clauses 2.5.3, 3.1.5, 3.1.9 and any other provisions that dilute the assurance of NdPr oxide supply; and <p>Explicitly confirm that the Letter of Comfort from IREL will ensure assured supply of NdPr oxide for the entire PLI incentive period (5 years) for the selected bidders (L1, L2, L3, etc.).</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
5.	<p>Query Clause: 1.1.6 & 3.1.6: Query: Consumption data of NdPr oxide</p> <p>References made in various sections to the production capacity of 600 MTPA and 1200 MTPA of sintered REPM from 200 MTPA and 400 MTPA of (NdPr)₂O₃, respectively, require correction. Based on the NdPr content of the oxide feedstock and assuming an overall process loss of approximately 7%, the expected production would be around 510–515 MTPA and 1020–1030 MTPA, respectively, for EV traction motor-grade sintered rare earth permanent magnets. If these critical factors have not been considered in the calculation of the Production Linked Incentive (PLI), the estimates may require appropriate revision.</p> <p>Suggested Clarification: Kindly correct the allocation methodology data in Clause 3.1.6 based on this input. Accordingly, bidders have to arrange for NdPr oxide from IREL as well as external resources.</p>	<p>Provisions of the RFP shall prevail.</p>
6.	<p>Query Clause: 1.1.11 Query: Minimum installed capacity is 600 MTPA and maximum 1,200 MTPA in multiples of 100 MTPA.</p> <ul style="list-style-type: none"> • Whether a bidder can quote capacity in phases (e.g., 600 MTPA initially with future expansion beyond bid capacity)? <p>Clarify whether bid capacity must be installed upfront or whether phased implementation within Scheme tenure is permissible.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
7.	<p>Query Clause: 1.1.11, 1.3.1, 3.2, 3.5.1(a) Flexibility to downsize Allocated / Committed Capacity</p> <ul style="list-style-type: none"> • Each Beneficiary is required to establish an integrated facility with full Allocated Capacity (minimum 600 MTPA, up to 1,200 MTPA, in multiples of 100 MTPA). In the event of a sustained downturn in domestic and global demand for sintered NdFeB REPM, is there any provision or process for a Beneficiary to seek approval to downsize its Allocated / Committed Capacity without 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>this being treated as a Breach of Obligations under Clause 3.5.1(a), and, if permissible, how would corresponding Incentive caps (Sales Incentive and Capital Subsidy) be recalibrated?</p> <p>Request: To manage demand risk and understand whether capacity commitments can be rationalised over time with a transparent mechanism, without triggering default.</p>	
8.	<p>Query Clause: 1.1.11</p> <p>Query:</p> <p>Clause 1.1.11 requires capacity in multiples of 100 MTPA. If a manufacturer’s standardized equipment configuration results in a capacity of, for example, 650 MTPA, will the Incentives be calculated on the actual commissioned capacity or rounded down to 600 MTPA?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
9.	<p>Query Clause: 1.1.11, 1.3.2</p> <p>Query:</p> <ul style="list-style-type: none"> • Clauses 1.1.11, 1.3.2(b) specify the maximum capacity as 1,200 (one thousand two hundred) MTPA. <p>In case the bidder opts to set up a plant of higher capacity due to economy of scale / other technical requirement, will it be considered for incentive with a cap of 1,200 MTPA or will it become ineligible?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
10.	<p>Query Clause: 1.1.11, 1.3.2(c), 4.3.1</p> <p>Query:</p> <p>The RFP says the Scheme will support up to 5 companies, each allowed to set up 600 to 1,200 MTPA capacity, totalling 6,000 MTPA. If less than 5 bidders qualify technically, will the Government allow the qualified bidders to take up the leftover capacity beyond 1,200 MTPA each?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
11.	<p>Query Clause: 1.1.13</p> <p>Query:</p> <ul style="list-style-type: none"> If Government decides to amend, alter, change, supplement the scope of the Scheme and RFP at any time - this could lead to increased project/ production costs and project delays. <p>It is requested that this may be suitably compensated by the Govt.</p>	<p>Provisions of the RFP shall prevail.</p>
12.	<p>Query Clause: 1.2.1</p> <p>Query:</p> <p>Please clarify the definition of "Lead member". In case Qualification of the the members in the consortium are distributed, e.g. one party has the experience in upstream operation and the other in downstream processes, how will it'be rated under DPR section.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
13.	<p>Query Clause: 1.2.1:</p> <p>Query: Two-envelope single-stage Least Cost System with ranking based on lowest quoted Sales Incentive Rate.</p> <ul style="list-style-type: none"> Whether financial ranking will consider only quoted ₹/kg rate or also normalized for committed capacity. <p>Clarify detailed evaluation formula and whether capacity-weighted ranking applies.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
14.	<p>Query Clause: 1.2.2:</p> <p>Query: Bid Security of INR 1 crore with 365 days validity plus 60 days claim period.</p> <ul style="list-style-type: none"> Whether Bid Security may be submitted through insurance surety bond or only bank guarantee. <p>Clarify acceptable instruments and list of eligible issuing institutions.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response								
15.	<p>Query Clause: 1.3</p> <p>Scheme Designs vs. Market Dynamics: Scheme assumptions may not hold over its tenure.</p> <p>Request:</p> <p>Introduce a periodic review mechanism to align with global market conditions, including price volatility, currency fluctuations, technology shifts, and heavy rare earth availability.</p>	Provisions of the RFP shall prevail.								
16.	<p>Query Clause: 1.3.(c)</p> <p>Query:</p> <p>Additional 1 year grace period should be provided for achieving Milestones 1,2,3.</p>	Provisions of the RFP shall prevail.								
17.	<p>Query Clause: 1.3.1, 1.3.2(f)</p> <p>Our query is on Clause 1.3.1 related to Milestones.</p> <p>The relevant clauses are reproduced below:</p> <p>The selected bidder has to achieve the following three milestones after issuance of milestones.</p> <p>a. <u>Milestone 1</u>: Achieve Eligible Investment of INR 1,50,00,00,000 (Indian Rupees One Hundred and Fifty Crore) from 1st April 2025 to 1 (one) year from the LOA Date.</p> <p>b. <u>Milestone 2</u>: Achieve Eligible Investment as per the following table from 1st April 2025 to 2 (two) years from the LOA Date as follows.</p> <table border="1" data-bbox="248 1187 1140 1374"> <thead> <tr> <th data-bbox="248 1187 651 1278">Allocated Capacity (MTPA)</th> <th data-bbox="651 1187 1140 1278">Minimum expenditure required towards Eligible Investment (INR Crore)</th> </tr> </thead> <tbody> <tr> <td data-bbox="248 1278 651 1310">600</td> <td data-bbox="651 1278 1140 1310">300</td> </tr> <tr> <td data-bbox="248 1310 651 1342">700/ 800/ 900</td> <td data-bbox="651 1310 1140 1342">450</td> </tr> <tr> <td data-bbox="248 1342 651 1374">1,000/ 1,100/ 1,200</td> <td data-bbox="651 1342 1140 1374">600</td> </tr> </tbody> </table>	Allocated Capacity (MTPA)	Minimum expenditure required towards Eligible Investment (INR Crore)	600	300	700/ 800/ 900	450	1,000/ 1,100/ 1,200	600	Provisions of the RFP shall prevail.
Allocated Capacity (MTPA)	Minimum expenditure required towards Eligible Investment (INR Crore)									
600	300									
700/ 800/ 900	450									
1,000/ 1,100/ 1,200	600									

S. No.	Query	Response
	<p>c. <u>Milestone 3</u>: Commission 50% (fifty per cent) of the Allocated Capacity within 3 (three) years from the LOA Date (“Milestone 3”) such that such portion of the Allocated Capacity has commenced commercial production.</p> <p>Clause 1.3.2 (f) states: The Beneficiary(ies) shall be entitled to disbursement of the Incentives, as further detailed in Clause 1.3.4 (Sales Incentive) and Clause 1.3.5 (Capital Subsidy), only after each of the Milestones have been achieved, and the entire Allocated Capacity is commissioned and verified in accordance with Clause 3.2.3 (Verification of Commissioning), and a Completion Certificate is issued in accordance with Clause 3.7.3 (Completion Certificate).</p> <p>Query:</p> <ul style="list-style-type: none"> Milestone 2 occurs before 50% of the capacity is established as stated in Milestone 3. This implies, for instance that Capex of Rs 600 crore has to be made by a bidder for 1200 TPA for 50% capacity which translates to Rs 100 Cr/ton capex. We expect the capex to be significantly less. Accordingly, on our verbal query, we were informed during the pre-bid conference that: <p>“If we are able to achieve Milestone 3 within the time limit for Milestone 2 i.e. Commission 50% (fifty per cent) of the Allocated Capacity within 2 (two) years (instead of 3 (years)) from the LOA Date (“Milestone 3”) we shall be treated as having achieved the milestones irrespective of capex being lower than Rs 600 Cr for 1200 TPA.” There would be no disqualification for shortfall in capex and capex subsidy would be on the actual eligible capital expenditure.</p>	
18.	<p>Query Clause: 1.3.1, 1.3.2(f), 3.5.2-3.5.3</p> <p>Effect of delayed cure on Incentive eligibility</p> <ul style="list-style-type: none"> If the Beneficiary initially falls short on Milestone 1 and/or 2 but subsequently completes the full Eligible Investment and commissions the entire Allocated Capacity and obtains the Completion Certificate, will Incentives for the Scheme Tenure be 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>(i) fully forfeited for the entire Tenure, (ii) proportionately reduced (e.g., linked to delay / shortfall), or (iii) fully available once all conditions are eventually satisfied, notwithstanding earlier timing deviations on Milestones?</p> <p>Request: To clarify whether delayed achievement of investment milestones leads to permanent loss or scaling down of Incentives, or whether the scheme rewards eventual full compliance.</p>	
19.	<p>Query Clause: 1.3.1</p> <p>We are unable to appreciate the requirement of Milestone 1 and Milestone 2 as per Clause 1.3.1 of the RFP as the subsidies would only be paid to us upon full commissioning and the implications of our not meeting these Milestones is not clear to us. Kindly explain. If we were to meet Milestone 3 inspite of not meeting Milestone 1 and/ or Milestone 2, we hope we would be fully entitled to get the requisite subsidies.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
20.	<p>Query Clause: 1.3.1</p> <p>Query:</p> <p>How is “commercial production” defined for Milestone 3—nameplate capacity run, trial runs, or invoiced sales?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
21.	<p>Query Clause: 1.3.1</p> <p>Query:</p> <p>Can Milestones be achieved “non-linearly” (e.g., Milestone 3 before Milestone 2)?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
22.	<p>Query Clause: 1.3.1</p> <p>Query:</p> <p>It is requested to consider the following:</p> <ul style="list-style-type: none"> • Provision for extension of Milestone timelines in cases of regulatory delays, or other circumstances beyond the control of the Beneficiary. • Milestone 1 & Milestone 2 should be based on percentage of eligible investment done rather than the absolute value of investment. • Incentives eligibility should be restricted to plant setup and commissioning after LOA date not from 1st April 2025. Pre-LOA investments should not be qualified for any incentives, consistent with the approach followed under comparable Government-of-India production-linked incentive schemes such as coal gasification funding. <p>Justification: This clarification is essential keeping in view of such Large greenfield manufacturing projects and associated regulatory or infrastructure-related delays.</p>	Provisions of the RFP shall prevail.
23.	<p>Query Clause: 1.3.1</p> <p>Query: Milestone Compliance</p> <p>Since incentives are disbursed only upon full commissioning (Milestone 3), please clarify the implications of failing to meet Milestone 1 or 2. If Milestone 3 is achieved successfully despite missing the earlier expenditure milestones, would the Beneficiary remain fully entitled to the subsidies?</p>	The relevant clauses of the RFP are self-explanatory.
24.	<p>Query Clause: 1.3.1(a),1.3.1(b), 1.3.5(d)</p> <p>Query:</p> <p>The Eligible Investment counting period for Milestone 1 and 2 starts from '1st April 2025', which is almost one year before the RFP was even issued (20 March 2026). Please clarify — will investments made between 1 April 2025 and the LOA Date be counted toward Milestones? If yes, what proof documents will be accepted for these pre-LOA investments?</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
25.	<p>Query Clause: 1.3.1(a)-(b), 3.5.1(a), 3.5.2, 1.3.2(f) Partial achievement of Milestone 1 & 2 Milestone 1 requires Eligible Investment of ₹150 crore for all Beneficiaries within 1 year from LOA Date, and Milestone 2 requires higher, capacity-linked Eligible Investment within 2 years from LOA Date.</p> <ul style="list-style-type: none"> If a Beneficiary achieves, for example, 90% of the required Eligible Investment for Milestone 1 or 2 within the prescribed period, will this shortfall automatically constitute a full “Breach of Obligations” under Clause 3.5.1(a), or is any tolerance band / grace mechanism (time or quantum) envisaged before treating it as default? <p>Request: To understand whether small shortfalls or slight delays in reaching the investment thresholds trigger immediate default and loss of benefits, or whether there is scope for regularisation / tolerance to make the scheme bankable.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
26.	<p>Query Clause: 1.3.1(a), 1.3.1(b), 1.3.2(d)(ii) & 1.3.5 Capital Subsidy Caps & Eligible Investment 1.3.1(a): Achieve Eligible Investment of INR 1,50,00,00,000 (Indian Rupees One Hundred and Fifty Crore) from 1st April 2025 to 1 (one) year from the LOA Date ("Milestone 1").</p> <p>Query:</p> <ul style="list-style-type: none"> Kindly explicitly clarify whether the cost of land acquisition can be considered and included as an 'Eligible Investment' for meeting the mandated financial thresholds under Milestones 1 and 2, and for the calculation of the Capital Subsidy. Furthermore, kindly clarify whether the following shall qualify as Eligible Investment under Milestone 1: site development expenditure, utilities infrastructure, technology licensing fees, and engineering design expenditure. <p>Regarding Clause 1.3.1 and the transition into Milestone 3, kindly clarify if it is mandatory to meet the exact minimum financial expenditure for "Eligible Investment" (as outlined in Milestones 1 & 2) in order to</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>qualify for Milestone 3. If a Beneficiary successfully achieves the 50% physical capacity commissioning (Milestone 3), but the actual Eligible Investment incurred is well below the mandated monetary minimums due to high capital efficiency, optimized procurement, or indigenous engineering will the project still be fully eligible for incentives? Or does failure to meet the strict monetary investment threshold lead to disqualification despite successfully achieving the physical capacity target?</p>	
<p>27.</p>	<p>Query Clause: 1.3.1(a) Investment milestones timelines: The requirement of ₹150 crore investment within one year from April 2025 is irrelevant for those who has already invested. Request: <ul style="list-style-type: none"> • Recognize prior investments made by early entrants such as Entellus. Allow flexibility or phased milestone achievement based on past investments.</p>	<p>Provisions of the RFP shall prevail.</p>
<p>28.</p>	<p>Query Clause- 1.3.1 (a) Query: It is requested to clarify, whether under this following payment will be considered or not: <ul style="list-style-type: none"> • Payment made through LC - as many of the equipment will be imported and payment will be made through LC. • Advance payment against proforma invoice. Justification: As a significant portion of the equipment is expected to be imported with payments routed through Letters of Credit (LC), this may impact the overall DPR cost estimates and timelines.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
<p>29.</p>	<p>Query Clause: 1.3.1(a) Milestone 1: Achieve Eligible Investment of INR 1,50,00,00,000 (Indian Rupees One Hundred and Fifty Crore) from 1st April 2025 to 1 (one) year from the LOA Date. Query:</p>	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
	<p>Aggressive Year-1 Investment Milestones for MSMEs</p> <p>Mandating an eligible investment of INR 150 crore within the very first year is an exceptionally steep financial hurdle. This aggressive timeline may force companies into rushed, sub-optimal procurement decisions, and will price out smaller, highly specialized players. We suggest lowering the Milestone 1 threshold or shifting a portion of this investment requirement to Milestone 2, allowing manufacturers adequate time to finalize complex technology transfers and procure specialized equipment.</p>	
<p>30.</p>	<p>Query Clause: 1.3.1(a), 1.3.1(b)</p> <p>Milestone 1: Achieve Eligible Investment of INR 1,50,00,00,000 (Indian Rupees One Hundred and Fifty Crore) from 1st April 2025 to 1 (one) year from the LOA Date.</p> <p>Milestone 2: Achieve Eligible Investment mentioned in said clause, from 1st April 2025 to 2 (two) years from the LOA Date.</p> <p>Query:</p> <p>Aggressive investment milestones for MSMEs</p> <ul style="list-style-type: none"> • During the pre-bid conference, it was understood that the investment threshold limit would not be applicable as long as the capacity is installed as per the scheme requirements, allowing bidders with lower investment proposals to qualify for the scheme. Request you to please confirm this understanding? <p>We also request you to kindly share minutes of the meeting of the Prebid conference so that all questions that were answered will be available to us for the purpose of RFP.</p>	<p>Provisions of the RFP shall prevail.</p>
<p>31.</p>	<p>Query Clause: 1.3.1(a–c):</p> <p>Query: Milestones</p> <p>Whether timeline extension for achieving milestones are allowed for Force Majeure or supply delays from IREL or any delay events occurred in statutory approvals? Kindly Confirm</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
32.	<p>Query Clause: 1.3.1(b)</p> <p>Query: Incentives available to maximum 5 entities aggregating 6,000 MTPA.</p> <ul style="list-style-type: none"> • If fewer than five qualified bidders are available, whether remaining capacity may be allocated among selected bidders if bidders wish to expand the facility during PLI scheme tenure. <p>Clarify reallocation mechanism for unallocated capacity.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
33.	<p>Query Clause: 1.3.1(b)</p> <p>Capital Subsidy Caps & Eligible Investment</p> <p>1.3.1(b): Achieve Eligible Investment as per the following table from 1st April 2025 to 2 (two) years from the LOA Date as follows ("Milestone 2").</p> <p>Query:</p> <p>For Milestone 2, kindly clarify whether the following expenditures are admissible under Eligible Investment: imported plant & machinery including customs duties, captive renewable energy infrastructure, EPC advances, and metallurgical pilot-line equipment.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
34.	<p>Query Clause: 1.3.1 (c), 1.3.3, 1.3.2 (f) & 1.3.4 (d)</p> <p>Query:</p> <p>The gestation period is 2 years whereas Milestone 3 requires 50% commissioning within 3 years.</p> <p>It is requested to consider the following:</p> <ul style="list-style-type: none"> • Full 5-year Sales Incentive eligibility if complete allocated capacity commissioning happens during 3rd year or more. • Incentive disbursement should be disbursed as per the commissioned proportionate capacity. For eg. If 50 percent of the total allocated capacity is commissioned within the gestation period, sales incentive should be disbursed on such sale rather than waiting for commissioning of full allocated capacity. 	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
	<ul style="list-style-type: none"> c) Partial Sales - Incentive on actual sales from the commissioned portion of capacity (i.e., post achieving Milestone 3) even before the entire Allocated Capacity is commissioned and the Completion Certificate is issued. <p>Justification: The gestation period of 2 years for setting up the manufacturing facilities may be inadequate considering the scale and associated uncertainties.</p> <p>Permitting partial incentives on sales from commissioned capacity post Milestone 3 would improve project cash flows and reduce the effective payback period, enhancing overall project viability.</p>	
35.	<p>Query Clause: 1.3.1(c) Incentive Disbursement Triggers & Commissioning Definitions</p> <p>Milestone 3: Commission 50% (fifty per cent) of the Allocated Capacity within 3 (three) years from the LOA Date ("Milestone 3") such that such portion of the Allocated Capacity has commenced commercial production.</p> <p>Query:</p> <ul style="list-style-type: none"> Regarding Milestone 3, kindly clarify whether "commissioning" refers strictly to mechanical completion, trial production completion, or commercial production readiness. Additionally, will extensions be permitted in case of delays arising from statutory approvals or upstream raw material linkage constraints? <p>Regarding Milestone 3's requirement to commission 50% of the Allocated Capacity within 3 years, and the strict definition of an 'integrated manufacturing facility' under Clause 1.3.5(f), kindly clarify if this 50% target must represent a fully synchronized, end-to-end operational line (oxide-to-magnet). Alternatively, can this 50% milestone be achieved through a phased, split-capacity approach across the value chain (e.g., commissioning 25% capacity for oxide-to-metal conversion and 25% for metal-to-magnet fabrication) while long-term upstream raw material agreements and intermediate linkages are being stabilized?</p>	The relevant clauses of the RFP are self-explanatory.
36.	Query Clause: 1.3.1(c):	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>Query: Milestone 3 requires commissioning of 50% capacity within 3 years from LOA Date.</p> <ul style="list-style-type: none"> • What constitutes “commercial production” for commissioning purposes. <p>Clarify minimum run hours, trial production criteria, sale dispatch requirement and testing standards.</p>	
37.	<p>Query Clause: 1.3.2–1.3.4, 3.9.8, Appendices XX–XXI (sales docs)</p> <p>Parallel use of State incentives and export eligibility</p> <ul style="list-style-type: none"> • The RFP does not expressly address use of State incentives or export of REPM. Can the Government confirm that: <ul style="list-style-type: none"> (a) Beneficiaries are permitted to simultaneously avail State Government incentive schemes (e.g. SGST refunds, power subsidies, State capital subsidies) for the same Project, provided there is no double counting of the same expenditure/sales for central Incentive computation; and (b) export of sintered NdFeB REPM is permitted under current regulations and that export sales (properly documented in line with Appendix XX & XXI) will qualify as “Sales” for Sales Incentive computation? <p>Request: To confirm ability to stack central and state support and to rely on export markets without undermining eligibility for central Sales Incentives.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
38.	<p>Query Clause: 1.3.2</p> <p>Query: Capital subsidy</p> <p>Incentives shall be provided for the establishment of integrated sintered NdFeB REPM manufacturing facilities.</p> <p>We understand to avail capital subsidy, Equipment required only up to sintering is sufficient (to make blank block magnets). Equipment related value addition works (Final machining and coating) is not required to be commissioned within 2 years from the date of LOA.</p> <p>Suggested Clarification:</p> <p>Kindly confirm this understanding</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
39.	<p>Query Clause: 1.3.2</p> <p>Query:</p> <p>Clause 1.3.2 (e) caps the Sales Incentive at 40% of net sales turnover. In the event of a significant global drop in NdFeB market prices, would the Government consider revising this threshold to ensure a meaningful support mechanism?</p>	Provisions of the RFP shall prevail.
40.	<p>Query Clause: 1.3.2</p> <p>Query:</p> <p>If three qualified bidders have the execution plan for 600 TPA magnet production. Then Govt. PLI target of 6000 TPA of magnet is not satisfied. In that case will another bidder be given a chance to participate as 6th bidder for the scheme?</p>	The relevant clauses of the RFP are self-explanatory.
41.	<p>Query Clause: 1.3.2(d), 1.3.4, 1.3.5, 1.3.6</p> <p>Flexibility between CapEx and OpEx (Sales-linked) support</p> <ul style="list-style-type: none"> • The Scheme presently offers a fixed mix of a 15% Capital Subsidy on Eligible Investment (subject to capacity-linked cap) and a capped Sales-linked incentive per kg of REPM. Would the Government consider providing Beneficiaries some flexibility in the structure of support—e.g., ability to opt for higher Sales Incentive with lower or no Capital Subsidy, or to increase capital subsidy percentage to align with other central CapEx schemes—so that each project can better match its Incentive mix to its financing and risk profile? <p>Request: To explore policy space for tailoring the Incentive mix (CapEx vs OpEx-linked) to improve project bankability.</p>	Provisions of the RFP shall prevail.
42.	<p>Query Clause: 1.3.2(d)(i)</p> <p>Sales Incentive Eligibility & Caps</p> <p>"Sales-linked incentive on sale of sintered NdFeB REPM manufactured from the Project ("Sales Incentive")."</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>Query: Kindly clarify whether the Sales Incentive shall be applicable on export sales, strictly domestic sales only, or captive consumption within group companies.</p>	
43.	<p>Query Clause: 1.3.2(d)(ii) Capital Subsidy Caps & Eligible Investment 1.3.2(d)(ii): Capital subsidy on setting up of the Project ("Capital Subsidy") Query: Regarding the Capital Subsidy, kindly clarify whether the subsidy is linked to the installed capacity or the commissioned capacity, whether the disbursement is milestone-wise or exclusively post-full commissioning, and whether any maximum subsidy cap per beneficiary applies beyond those stated in Clause 1.3.6.</p>	The relevant clauses of the RFP are self-explanatory.
44.	<p>Query: Clause: 1.3.2(e) Query: <ul style="list-style-type: none"> • It is requested to amply clarify the type of exclusions from net sales turnover for computing the 40% Sales Incentive cap. Justification: Clarity on the exact definition and computation of "net sales turnover" is essential for accurately modelling the incentive cap and its implications on project returns.</p>	The relevant clauses of the RFP are self-explanatory.
45.	<p>Query Clause: 1.3.2(e),4.2.1,3.9.3(iii)(a) Query: The Sales Incentive is capped at 40% of net sales (excluding GST). At current NdFeB magnet prices of ₹5,000–8,000/kg, this 40% works out to ₹2,000–3,200/kg. But the per-kg ceiling is ₹2,150/kg. If magnet prices drop below ₹5,375/kg, then 40% of sales would be less than ₹2,150/kg, and the bidder's quoted rate would get automatically reduced. Please clarify how these two caps will interact in practice.</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
46.	<p>Query Clause: 1.3.2(e), 1.3.3, 1.3.4, 3.9.3</p> <p>Structure of Sales Incentive caps and any sub-limits</p> <ul style="list-style-type: none"> • Clause 1.3.2(e) caps Sales Incentive at: <ol style="list-style-type: none"> (i) 40% of net sales turnover (net of GST) for the relevant period and (ii) an overall capacity-linked absolute cap over the 7-year Scheme Tenure (e.g., ₹645 crore for 600 MTPA), without specifying any annual or half-yearly sub-caps per Beneficiary. • Where net sales turnover is high enough that the 40% cap does not bind, will the absolute capacity-linked cap operate purely as a cumulative cap over the full Tenure, or does the Government intend to apply any implicit or explicit annual / half-yearly sub-limits while processing Sales Incentive claims under Clause 1.3.4 and 3.9.3? <p>Request: To clarify whether beneficiaries can legitimately “front-load” incentives in early years if demand is strong, or whether disbursement will be time-profiled by the Government beyond what is written.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
47.	<p>Query Clause: 1.3.2(e)</p> <p>Sales Incentive Eligibility & Caps</p> <p>"...the total Sales Incentive payable... shall, in no event, exceed 40% (forty per cent) of net sales turnover (net of GST)..."</p> <p>Query:</p> <p>In scenarios of severe global market volatility or aggressive price dumping of NdFeB magnets, the 40% ceiling could drastically diminish the absolute incentive value realized by the domestic manufacturer against their fixed quoted INR/kg rate. Does the Ministry intend to introduce a floor price mechanism for net sales turnover computation to safeguard the commercial viability of domestic manufacturers during severe global price downturns.</p>	<p>Provisions of the RFP shall prevail.</p>
48.	<p>Query Clause: 1.3.2(e)</p> <p>Sales Incentives/ 40% of net sales turnover cap:</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>Notwithstanding anything to the contrary contained herein, the total Sales Incentive payable to any Beneficiary under the Scheme shall, in no event, exceed 40% (forty per cent) of net sales turnover (net of GST) of the sintered NdFeB REPM, for the relevant period. For the avoidance of doubt, it is clarified that, for the purpose of computing such 40% (forty per cent), GST shall be excluded from the sale price of the NdFeB REPM. Furthermore, under no circumstances shall a Beneficiary be entitled to receive Sales Incentives exceeding the caps specified in the table below:</p> <p>The RFP provides that the Sales Incentive for any period shall not exceed 40% of the net sales turnover (net of GST) of sintered NdFeB REPM for the relevant period. In this regard, kindly clarify:</p> <ul style="list-style-type: none"> • Whether credit notes issued (including on account of price revisions, quality claims, discounts, quantity variances, or post sale adjustments) are required to be reduced from the gross invoice value while computing the “net sales turnover” for determination of the 40% cap. • Whether such reduction is to be considered period wise (i.e., credit notes adjusted in the same claim period) or whether subsequent period credit notes are also required to be factored into the computation of net sales turnover for the relevant claim period. <p>Synopsis of Query:</p> <p>While computing “net sales turnover” for the purpose of the 40% sales incentive cap, whether credit notes issued (including on account of price revisions, quality claims, discounts, quantity variances or post sale adjustments) are required to be reduced from the gross invoice value, and whether such adjustments are to be considered only for the relevant claim period or also for credit notes issued in subsequent periods</p>	
49.	<p>Query Clause: 1.3.2(e):</p> <p>Query: Cap on Sales incentive (40%)</p> <p>It is specified that, under no circumstances, the total Sales Incentive shall exceed 40% of the net sales turnover. However, bidders may manufacture and sell multiple grades of NdFeB magnets, where the selling price can vary significantly depending on grade, application, and level of value addition.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>In such a scenario, there is ambiguity regarding the methodology for applying the 40% cap—specifically, whether the cap will be evaluated based on: Individual product/grade-wise sales, or The weighted average realization across the total quantity of magnets sold during the claim period. Suggested Clarification: It is requested to clarify the exact methodology for calculation of the 40% cap on Sales Incentive, including whether a weighted average sales price across all product grades and forms will be considered for determining the eligible incentive.</p>	
50.	<p>Query Clause: 1.3.2(f) Incentive Disbursement Triggers & Commissioning Definitions The Beneficiary(ies) shall be entitled to disbursement of the Incentives... only after each of the Milestones have been achieved, and the entire Allocated Capacity is commissioned and verified... and a Completion Certificate is issued... Query: To optimize working capital and de-risk early-stage operations for large-scale setups, would the Government consider amending Clauses 1.3.2(f) and 3.2.4 to permit pro-rata Sales Incentive disbursements corresponding to the initial 50% commissioned capacity under Milestone 3, rather than waiting for 100% capacity commissioning?</p>	Provisions of the RFP shall prevail.
51.	<p>Query Clause: 1.3.2(f) & 3.2.4 Query: Capital Subsidy may be disbursed in 3 tranches (maximum 5% each) upon achievement of Milestones 1,2,3 respectively.</p>	Provisions of the RFP shall prevail.
52.	Query Clause: 1.3.2(f), 1.3.4(d), 3.7.3, 3.9.3	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>No Sales Incentive until full commissioning; price-fall & 40% cap relevance</p> <ul style="list-style-type: none"> • Clauses 1.3.2(f) and 1.3.4(d) state that Beneficiaries become eligible for Sales Incentive only after all Milestones are achieved and a Completion Certificate for entire Allocated Capacity is issued, and Sales Incentive is further capped at 40% of net sales turnover. Would the Government consider allowing milestone-wise Sales Incentive (e.g., beginning after 50% capacity commissioning) to support early-phase cashflows? Additionally, if market prices for REPM fall sharply, making the 40% of turnover cap effectively irrelevant (because absolute incentive per kg becomes binding), is any recalibration of the per-kg cap envisaged during Scheme Tenure? <p>Request: To see if Sales Incentive can be phased in, and to understand how incentive design responds to potential price volatility.</p>	
53.	<p>Query Clause: 1.3.2(f), 1.3.4, 3.2.3, 3.7.3, 3.9.1, 3.9.3-3.9.4</p> <p>Commissioning done but dispute on Milestone-2 investment; access to Sales Incentives Relevant</p> <ul style="list-style-type: none"> • Incentives accrue only after all Milestones are achieved and the entire Allocated Capacity is commissioned and verified, with a Completion Certificate issued. If a Beneficiary has commissioned 100% of Allocated Capacity, started commercial production and sales, but there is a dispute on whether the Eligible Investment threshold for Milestone 2 has been met (e.g., different interpretation of “Eligible Investment”), will Sales Incentive disbursements on sales already made be suspended until resolution, or can provisional disbursements be made (subject to caps) with a right for Government/PMA to adjust or recover under Clause 3.9.4? • Request: To understand whether commissioning and commencement of sales allow Incentives to start flowing despite investment-classification disputes, or whether cashflows will be frozen during such disputes. <p>Also, a case if the applicant is able to achieve the committed capacity set up with lesser Capex, will the incentive eligibility fail.</p>	The relevant clauses of the RFP are self-explanatory.
54.	Query Clause: 1.3.3	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>Scheme Tenure: The total duration of the Scheme will be 7 (seven) years from the LOA Date ("Scheme Tenure"), which includes a planned 2 (two) years of gestation period for setting up the manufacturing facilities and 5 (five) years for incentive disbursement on sale of sintered NdFeB REPM.</p> <p>Query:</p> <p>Inadequate Scheme Tenure for a Highly Complex Industry</p> <p>Competing with established foreign monopolies that have optimized their processes over 30 years requires a long-term horizon. A 5-year disbursement period is insufficient to achieve the technological maturity and cost-competitiveness required to survive independently. We request the Ministry to extend the scheme tenure to 10 to 15 years to provide the necessary runway for the Indian industry to firmly establish itself and stabilize its operations.</p>	
55.	<p>Query Clause: 1.3.3</p> <p>Scheme Tenure & Early Commissioning</p> <p>The total duration of the Scheme will be 7 (seven) years from the LOA Date ("Scheme Tenure"), which includes a planned 2 (two) years of gestation period for setting up the manufacturing facilities and 5 (five) years for incentive disbursement on sale of sintered NdFeB REPM.</p> <p>Query:</p> <ul style="list-style-type: none"> • As per Clause 1.3.3, if a Beneficiary successfully achieves 100% capacity commissioning and commences commercial production significantly ahead of the planned 2-year gestation timeline, does the 5-year disbursement window commence immediately upon such early commissioning, or is it strictly locked to commence from the third year? 	The relevant clauses of the RFP are self-explanatory.
56.	<p>Query: Clause- 1.3.3</p> <p>Query:</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>It is requested that MHI consider extending the gestation period from the current 2 (two) years to at least 3 (three) years, with a corresponding extension of the Scheme Tenure from 7 to 8 years. Setting up an Integrated Sintered NdFeB REPM manufacturing facility involves significant challenges, including:</p> <ul style="list-style-type: none"> • Procurement and installation of highly specialised and predominantly imported plant and machinery; • Obtaining environmental and other statutory clearances; (c) Civil construction and infrastructure development; • Technology transfer: • Recruitment and training of skilled manpower; • Potential global supply chain disruptions. <p>2-year gestation period does not adequately account for these complexities and may expose Beneficiaries to milestone penalties despite exhaustive efforts.</p> <p>Justification: Global precedents for comparable greenfield projects indicate that a minimum of 3-4 years is typically required for the gestation phase. Extending the gestation period will improve project bankability and ensure that manufacturing facilities are established sustainably and to high quality standards.</p>	
57.	<p>Query Clause: 1.3.3</p> <p>Query:</p> <ul style="list-style-type: none"> • Grace period of 3 years may be extended for incentive disbursement on sale of sintered NdFeB REPM however limited to the overall cap under the scheme - Refer to table in Sub Clause - 1.3.2 (e). <p>Alternatively modify fixed 5 years for incentive disbursement on sale of sintered NdFeB REPM to a flexible period of 5-8 years to harness the full opportunity provided under the Scheme.</p>	Provisions of the RFP shall prevail.
58.	<p>Query Clause: 1.3.3, 3.9.7, 1.3.4(j):</p> <p>Query:</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>The Scheme Tenure is 7 years from LOA Date — 2 years for setting up plus 5 years for incentive payout. Clause 3.9.7 says no incentive beyond the 7th year. If commissioning gets delayed due to reasons outside the bidder's control (e.g., power utility connection delays, environmental clearance delays), will the 5-year incentive window be extended accordingly, or will the bidder simply lose those years?</p>	
<p>59.</p>	<p>Query Clause: 1.3.4 Sales Incentives</p> <p>Subject to Clause 1.3.2 (Overview of the Incentives), Sales Incentives shall be provided to the Beneficiary(ies) on the sale of sintered NdFeB REPM produced after the issuance of the LOA.</p> <p>Amount of Sales Incentives: Amount of Sales Incentives* = Quantity of sintered NdFeB REPM sold (in kg) during the period × (multiplied by) Quoted Sales Incentive Rate in the Financial Bid (₹/kg)</p> <p>*Note: Subject to the caps set forth in the Scheme, the RFP, LOA and the LOI.</p> <ul style="list-style-type: none"> • Kindly clarify whether there are any restrictions on sale of sintered NdFeB REPM to group companies or related entities, and whether such arm's length sales will be treated as eligible sales for Sales Incentive purposes. <p>Synopsis of Query:</p> <ul style="list-style-type: none"> • Whether there are any restrictions on sale of sintered NdFeB REPM to group companies or related entities. <p>Whether arm's length sales to such entities will be treated as eligible sales for Sales Incentive purposes.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
<p>60.</p>	<p>Query Clause: 1.3.4 Sales Incentives</p> <p>Query:</p> <ul style="list-style-type: none"> • Whether production during test/trial runs prior to formal commissioning will be considered as 'commercial production' for Milestone achievement and Sales Incentive eligibility, or whether only production after certified commissioning will qualify for incentive 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>Synopsis of Query: Whether production during test/trial runs prior to formal commissioning will be considered as “commercial production” for Milestone achievement and Sales Incentive eligibility.</p>	
61.	<p>Query Clause: 1.3.4(a) Query: Sales basis</p> <ul style="list-style-type: none"> • It is not explicitly clear whether the Sales Incentive is applicable only to domestic sales within India or also extends to export sales of sintered NdFeB REPM. <p>Suggested Clarification: It is requested to clarify whether export sales are eligible for Sales Incentive, or if the incentive is restricted solely to domestic sales within India. Also request clarification in treatment of freight, insurance and forex conversion methodology for export sales.</p>	The relevant clauses of the RFP are self-explanatory.
62.	<p>Query Clause: 1.3.4 (a) Subject to Clause 1.3.2 (Overview of the Incentives), Sales Incentives shall be provided to the Beneficiary (ies) on the sale of sintered NdFeB REPM produced after the issuance of the LOA.</p> <p>Query:</p> <ul style="list-style-type: none"> • It is requested to confirm our understanding that any type of sale (domestic/international/third-party) is eligible for sales-incentive. <p>Justification: Given the strong global demand for NdFeB permanent magnets, export eligibility would significantly enhance revenue potential and improve overall project viability.</p>	The relevant clauses of the RFP are self-explanatory.
63.	<p>Query Clause: 1.3.4(a): Query: Frequency of Sales Incentive Disbursement</p> <ul style="list-style-type: none"> • The current provision allows submission of sales incentive claims on a half-yearly or annual basis. However, considering the significant volatility in raw material prices and the working capital- 	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>intensive nature of NdFeB magnet manufacturing—particularly due to high dependency on NdPr oxide—longer claim cycles may lead to substantial cash flow constraints for beneficiaries.</p> <p>Suggested Clarification:</p> <ul style="list-style-type: none"> In order to improve liquidity, reduce working capital burden, and ensure smoother project operations, it is requested to modify the clause to permit submission of sales incentive claims and disbursement of incentives on a quarterly basis. 	
64.	<p>Query Clause: 1.3.4(a): Query: Sales incentive eligibility</p> <p>It is understood that the Sales Incentive is applicable on the sale of sintered NdFeB REPM. However, there is ambiguity regarding the stage of the product eligible for such incentive—specifically, whether it applies to:</p> <p>Magnet blocks (sintered and magnetically aligned, without further processing), or</p> <p>Fully finished magnets, including machining, coating, and other value-added processes as per end-use requirements.</p> <p>Considering that downstream processing (machining, coating, grading, etc.) constitutes a significant portion of value addition and varies across applications, the absence of a clearly defined eligible product may lead to differing interpretations during evaluation and disbursement of incentives.</p> <p>Suggested Clarification: It is requested to provide a clear and unambiguous definition of the eligible product for Sales Incentive, addressing the following:</p> <ul style="list-style-type: none"> The minimum level of processing required for eligibility (i.e., whether both blank block magnets and fully finished magnets qualify for Sales Incentive). In cases where bidders cater to multiple customer segments and sell both blank block magnets and finished magnets, whether the combined sold quantity of both product forms will be considered eligible for Sales Incentive. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	Whether the Sales Incentive will be applicable uniformly across different product forms and magnet grades, without any differentiation.	
65.	<p>Query Clause: 1.3.4(a) & (c),3.9.3(iii)</p> <p>Query:</p> <p>Is the Sales Incentive applicable only on domestic sales within India, or does it also cover export sales of sintered NdFeB REPM to international customers?</p>	The relevant clauses of the RFP are self-explanatory.
66.	<p>Query Clause: 1.3.4(b)</p> <p>Fixed Incentive vs. Raw Material Price Volatility: The fixed incentive of ₹2,150/kg may become unviable with rising raw material prices. At the time of designing the framework, oxide prices were approximately USD 50/kg, which have since increased to around USD 120/kg as of Mar 2026.</p> <p>Request:</p> <ul style="list-style-type: none"> • Link incentives to market indices (NdPr price). <p>Introduce a price escalation mechanism.</p>	Provisions of the RFP shall prevail.
67.	<p>Query Clause: 1.3.4(b)</p> <p>Uniform incentive V/s product complexity: A flat incentive does not account for variation in manufacturing complexity, particularly for precision magnets used in consumer electronics, which involve higher processing losses and capital intensity.</p> <p>Request:</p> <p>Introduce tiered incentives based on application and size (e.g., wind, automotive, electronics).</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
68.	<p>Query: Clause: 1.3.4(b) & 2.5.3</p> <p>Query:</p> <ul style="list-style-type: none"> • It is requested to confirm that imported NdPr oxide (sourced from outside India) is permissible, and Sales Incentive shall be fully available on NdFeB REPM manufactured using such imported NdPr oxide. • Further, it is also requested to confirm that procurement of NdPr oxide from IREL is not mandatory for any Selected Bidder, and that Beneficiaries are free to source NdPr oxide, in whole or in part, from more competitively priced domestic or international supplier, without restriction. <p>Justification: As IREL's domestic supply capacity may be insufficient to meet the entire allocated capacity, the clarity on import permissibility is essential for raw material sourcing and supply chain planning, and freedom to source raw material from the most competitive and reliable source is critical for the cost competitiveness of the project.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
69.	<p>Query: Clause: 1.3.4 (b), 4.2.1</p> <p>Query:</p> <ul style="list-style-type: none"> • It is requested to confirm whether the same Quoted Sales-Incentive Rate applies uniformly to all grades/specifications/ product type of sintered NdFeB REPM produced, or whether differentiated rates are applicable to different product grades. <p>Justification: This clarification is essential, as higher-grade NdFeB magnets would require significantly greater manufacturing expertise and capital investment due to manufacturing complexity involved.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
70.	<p>Query: Clause: 1.3.4 (d) & 1.3.4 (e)</p> <p>Query:</p> <ul style="list-style-type: none"> • It is requested to provide the expected turnaround timeline for disbursement of Sales Incentive by the Government after submission of a complete and valid Sales-Incentive Disbursement Form with all supporting documents. 	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
	<p>Justification: Clarity on disbursement timeline is essential for working capital management, cash flow planning.</p>	
71.	<p>Query Clause: 1.3.4(e-k): Query: Half-yearly / annual claim filing timelines prescribed; delayed claims lapse.</p> <ul style="list-style-type: none"> • Whether delayed claims may be condoned in genuine cases such as audit delay or force majeure. <p>Provide condonation mechanism subject to reasons and approval.</p>	Provisions of the RFP shall prevail.
72.	<p>Query Clause: 1.3.4 (k) Query: This limitation should be waived as this could result in significant financial losses if the bidder inadvertently or for some compelling/ unforeseen reasons fails to adhere to such strict timelines.</p>	Provisions of the RFP shall prevail.
73.	<p>Query Clause: 1.3.5 Query: Clause 1.3.5 (c)(i) mentions "Associated Utilities" including captive power plants. If a Bidder utilizes a wheeling arrangement (with renewable / other power plant) instead of a physical captive plant, would the associated infrastructure costs or long-term power purchase agreement (PPA) security deposits be considered part of the "Eligible Investment?"</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
74.	<p>Query Clause: 1.3.5</p> <p>Query:</p> <p>Clause 1.3.5 (f) requires all intermediate processes to be performed "in-house" in the integrated manufacturing facility. Does this permit the use of contract manufacturing or job-work for specific non-core steps (like specialized coating or complex slicing/shaping) if the primary alloy-to-magnet conversion happens within the integrated facility?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
75.	<p>Query Clause: 1.3.5</p> <p>Capital Subsidy Caps & Eligible Investment</p> <p>1.3.5: Eligible Investment shall mean: (i) Expenditure incurred on Plant, Machinery, Equipment and Associated Utilities... (ii) Expenditure incurred on Research and Development (R&D).</p> <p>Query:</p> <ul style="list-style-type: none"> • Regarding the scope of Eligible Investment defined in Clause 1.3.5, kindly confirm whether the following are explicitly included: testing laboratories, R&D facilities, environmental compliance infrastructure, and ERP/digital manufacturing systems. <p>Clause 1.3.5(d) explicitly excludes leased assets from the determination of Eligible Investment. Since establishing a globally competitive facility often relies on procuring specialized global equipment via long-term financial leases, is the Government amenable to permitting capitalized financial leases under standard Ind AS accounting principles to be classified as Eligible Investments?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
76.	<p>Query Clause: 1.3.5</p> <p>Integrated manufacturing requirement: Mandatory end-to-end in-house manufacturing restricts specialization (e.g., precision machining, corrosion protection coating, sub-assembly, and heat treatment).</p> <p>Request:</p> <p>Allow cluster-based or distributed manufacturing models, including outsourcing.</p>	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
77.	<p>Query Clause: 1.3.5(a)</p> <p>Capital Subsidy: A Capital Subsidy equivalent to 15% (fifteen per cent) of the Eligible Investment... shall be provided under the Scheme.</p> <p>Query:</p> <p>Insufficient Capital Subsidy Given Global Equipment Restrictions</p> <p>With recent geopolitical developments restricting the export of low-cost magnet manufacturing equipment, Indian manufacturers are now forced to import highly expensive machinery from Europe, Japan, or the USA. This will multiply the capital expenditure required. A 15% subsidy will not adequately cover this sudden viability gap. We strongly urge the Ministry to increase the Capital Subsidy to at least 40% to 50% to offset these unavoidable global cost escalations and de-risk the initial investments.</p>	Provisions of the RFP shall prevail.
78.	<p>Query Clause: 1.3.5(a)</p> <p>Eligibility of Prior Investments and Early Entrants: The current framework considers investments only from 1 April 2025 onwards. Entellus has already made substantial investments since 2023 aligned with the scheme objectives.</p> <p>Request:</p> <ul style="list-style-type: none"> • Extend eligibility to investments made from 1 April 2023; or <p>Provide grandfathering provisions for early investors toward eligibility and milestone compliance.</p>	Provisions of the RFP shall prevail.
79.	<p>Query Clause: 1.3.5(a), 1.3.6</p> <p>Query:</p> <p>Capital Subsidy is 15% of Eligible Investment, but capped at ₹150 crore for 1,100/1,200 MTPA. This means the Government expects about ₹1,000 crore of eligible investment. For a fully integrated oxide-to-magnet facility at 1,200 MTPA, actual investment can be much higher. Please confirm — is the ₹150 crore absolute cap the final limit, or will the 15% apply to the full eligible investment beyond ₹1,000 crore?</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
80.	<p>Query Clause: 1.3.5(b) Query: Integrated Manufacturing Facility</p> <ul style="list-style-type: none"> Whether different process steps (metal, alloy, magnet) can be located in multiple locations within India for the purpose of defining Integrated manufacturing facility and for the purpose of eligibility for availing capital subsidy and sales incentive? <p>Suggested Clarification: Confirm if geographically distributed plants under this PLI scheme are allowed.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
81.	<p>Query Clause: 1.3.5(c): Query: Eligible investment</p> <ul style="list-style-type: none"> The definition of Eligible Investment under Clause 1.3.5(c)(i) includes expenditure towards plant, machinery, equipment, and associated utilities. However, the inclusion of site infrastructure such as civil and structural buildings is not explicitly specified. Considering the capital-intensive nature of such facilities, achieving the prescribed Eligible Investment thresholds without accounting for site infrastructure would be challenging. <p>Suggested Clarification: It is requested to explicitly include expenditure towards civil works, buildings, and related site infrastructure under the definition of Eligible Investment.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
82.	<p>Query Clause: 1.3.5(c) Please confirm that “Expenditure incurred in Plant, Machinery, Equipment and Associated Utilities” as mentioned under Clause 1.3.5.(c) of the RFP would include investments made in the cutting/ electroplating/ magnetizing etc. of the Sintered NdFeB magnets to make them into marketable products to be sold to the end customers.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
83.	<p>Query: Clause: 1.3.5(c)</p> <p>Query:</p> <p>It is respectfully requested to include the following capital-expenditure components, being standard constituents of project cost under RBI, ICAI and lender project-appraisal practice within the scope of “Eligible Investment”:</p> <ul style="list-style-type: none"> • Cost of land and land development • Building and civil construction costs (including factory sheds, utility buildings, roads, drainage, site development, and related infrastructure) • Any piping or related infrastructure • Interest during Construction (IDC) incurred during the construction/gestation period • Pre-operative and soft costs, including DPR preparation, consulting and technical advisory fees, project management costs, statutory clearance and permit costs, as recognized under standard project financing practice. <p>Justification: For a capital-intensive project of this scale, these inclusions are critical for accurate Capital Subsidy estimation and overall project financial planning, as these components typically constitute 30–45% of total project cost. Expanding the scope of Eligible Investment as requested does not increase the Government’s subsidy outlay — it only enables bidders to reach the pre-defined cap, consistent with the Scheme’s stated objective of supporting end-to-end domestic manufacturing. Further, the proposed inclusions are consistent with the project-cost definition accepted by commercial banks and Indian financial institutions.</p>	<p>Provisions of the RFP shall prevail.</p>
84.	<p>Query Clause: 1.3.5(c)</p> <p>Query: Eligible Investment</p> <p>Please confirm that expenditure on downstream processes such as cutting, electroplating, and magnetizing (necessary to make magnets marketable) is included under “Expenditure incurred in Plant, Machinery, Equipment and Associated Utilities.”</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
85.	<p>Query Clause: 1.3.5(c)</p> <p>Scope of Eligible Investment – Land and Infrastructure: Land and core infrastructure costs are not explicitly included.</p> <p>Request:</p> <ul style="list-style-type: none"> • Clarify the eligibility of land and building costs. <p>Consider inclusion of core infrastructure costs, given their significant share in total project cost.</p>	<p>Provisions of the RFP shall prevail.</p>
86.	<p>Query Clause: 1.3.5(c)</p> <p>Query: Eligible Investment includes plant, machinery, utilities, ERP, R&D and ToT costs.</p> <ul style="list-style-type: none"> • Whether working capital margin, raw material inventory and pre-operative expenses are eligible. <p>Clarify excluded items such as working capital, consumables, finance cost and operating expenses.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
87.	<p>Query Clause: 1.3.5(c)(ii)</p> <p>Query: Eligible investment for R&D</p> <p>The clause includes capital expenditure on Research & Development (R&D) related to sintered NdFeB REPM. However, it is not explicitly clear whether investments made towards pilot plants and demonstration units—which are critical for process validation, technology stabilization, and scale-up in the rare earth magnet value chain—are covered under Eligible Investment.</p> <p>Given the evolving nature of NdFeB manufacturing technology in India, pilot-scale and demonstration facilities form an essential intermediate step before commercial production and often involve significant capital expenditure.</p> <p>Suggested Clarification:</p> <ul style="list-style-type: none"> • It is requested to include expenditure incurred on pilot plants, demonstration units, and scale-up facilities (including associated equipment, utilities, and testing infrastructure) for Eligible Investment under R&D. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>Further, it is requested to explicitly include such investments within the definition of Eligible Investment to support technology development, reduce scale-up risks, and ensure successful commissioning of commercial manufacturing facilities.</p>	
<p>88.</p>	<p>Query Clause: 1.3.5(c)(ii)–(iii), 4.1.5 (DPR – tech), Annexure I (DPR – R&D & ToT) Eligible Investment treatment of ToT fees, royalties, prototypes, and equity in tech entities</p> <ul style="list-style-type: none"> • Clause 1.3.5(c)(iii) treats “cost of technology and initial technology purchase” under ToT Agreements as Eligible Investment, and 1.3.5(c)(ii) covers R&D expenditure including prototypes and IPR costs. Could the respectable Government clarify whether: <ul style="list-style-type: none"> (a) ongoing royalty or licence fees linked to production/sales during Scheme Tenure can be treated as Eligible Investment (fully or partially), or only one-time up-front technology payments qualify; (b) prototype development expenditure (including pilot plant prototypes and testing) is fully eligible as part of R&D for Capital Subsidy; and (c) equity investment into a technology company or JV for accessing technology can be recognised as Eligible Investment, and if so, under what conditions and valuation norms? Additionally, can it be confirmed that prototype expenditure will be treated as eligible capital expenditure for incentives, given its importance in scaling technology? <p>Request: To ensure that practical technology acquisition structures (royalties, prototypes, tech-JVs) are appropriately recognised as Eligible Investment while designing financing.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
<p>89.</p>	<p>Query Clause: 1.3.5(c)(iii) Query: Expenditure related to technology transfer</p> <ul style="list-style-type: none"> • Whether royalty payments beyond initial ToT are eligible? <p>Suggested Clarification:</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>Clarify whether the recurring payments for technology transfer (royalty fee) be considered for eligible investment?</p>	
<p>90.</p>	<p>Query Clause: 1.3.5(d) Second-hand/used/ refurbished plant, machinery, equipment, utilities or research & development equipment or assets shall not be allowed or considered in the determination of Eligible Investment. Query: Prohibition on High-Quality Refurbished Equipment Given the exorbitant cost of brand-new equipment from Western and Japanese suppliers, allowing the import of certified, high-quality refurbished equipment would drastically lower the initial CAPEX burden without sacrificing production quality. We request the Ministry to consider amending this clause to permit refurbished machinery, provided it meets strict certification, residual life, and performance standards verified by the Independent Engineer.</p>	<p>Provisions of the RFP shall prevail.</p>
<p>91.</p>	<p>Query Clause: 1.3.5 (e) 'Integrated manufacturing facility' shall mean an integrated REO-to-sintered NdFeB REPM manufacturing value chain... all intermediate processes (including, without limitation, the manufacturing of NdPr metal, and NdFeB alloy) up to production of sintered NdFeB REPM shall be performed in-house within the integrated manufacturing facility. Query: Inefficiencies in Mandating End-to-End In-House Manufacturing Forcing a single entity to execute every step from REO to finished magnet prevents supply chain specialization. In a mature ecosystem, different companies specialize in specific stages (e.g., REO to metal, metal to alloy) to achieve the lowest possible costs. We strongly suggest amending the scheme to allow</p>	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
	collaborative supply chains where intermediate products can be procured from domestic specialized manufacturers.	
92.	<p>Query Clause: 1.3.5(f) Query: Integrated Manufacturing Facility</p> <ul style="list-style-type: none"> • Whether partial outsourcing (e.g., NdPr metal) is permitted initially during 1st year commissioning? <p>Suggested Clarification: Request you to allow phased integration approach as the technology for NdPr metal manufacturing is not developed in India</p>	Provisions of the RFP shall prevail.
93.	<p>Query: Clause- 1.3.5(f) Query:</p> <ul style="list-style-type: none"> • Please clarify whether any downstream processing is permitted under the Scheme, or such downstream activities attract any separate or additional incentive. <p>Justification: This clarification is critical in defining the Scheme's scope to assess the full potential of the opportunity, as Downstream processing adds significant costs to the project.</p>	The relevant clauses of the RFP are self-explanatory.
94.	<p>Query: Clause: 1.3.5(f) Query:</p> <ul style="list-style-type: none"> • As manufacturing units can be set up at multiple locations across India, please clarify how Milestone achievement will be tracked – on a consolidated basis across all locations or on a location-wise basis. <p>Justification: Clarity on whether Milestone achievement is tracked on a consolidated or unit-wise basis has a direct bearing on multi-location project sequencing, phasing of Eligible Investment.</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
95.	<p>Query Clause: 1.3.5(f)) Incentive Disbursement Triggers & Commissioning Definitions</p> <p>For the purposes of this RFP, 'integrated manufacturing facility' shall mean an integrated REO-to-sintered NdFeB REPM manufacturing value chain... The manufacturing process shall commence from REO viz. NdPr Oxide as the starting raw material, and all intermediate processes... up to production of sintered NdFeB REPM shall be performed in-house...</p> <p>Query: Regarding the establishment of the "integrated manufacturing facility", kindly clarify if it is mandatory to set up the entire allocated capacity and all intermediate processes at a single, contiguous geographical location. Given the distinct environmental, utility, and logistical requirements of chemical processing versus metallurgical fabrication, is it acceptable to adopt a multi-location strategy (e.g., setting up the oxide-to-metal chemical processing plant at a port-proximate location, and the metal-to-magnet fabrication unit closer to an automotive hub), provided both facilities are owned and operated by the same SPV/Beneficiary?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
96.	<p>Query Clause: 1.3.5(f)</p> <p>Query: Entire intermediate processes up to magnet production must be performed in-house within integrated facility.</p> <ul style="list-style-type: none"> • Whether selected non-core processes (e.g., coating, machining, testing) may be outsourced <p>Define mandatory in-house processes vs permissible outsourced ancillary processes.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
97.	<p>Query Clause: 1.3.5(f), 3.2.3(a)</p> <p>Query: The RFP allows the integrated manufacturing facility to be at 'one or more locations in India'. Can the oxide-to-metal unit be at one location (e.g., near a port for raw material import) and the alloy-to-magnet unit at a different location in another state? If yes, which state's Department of Industries will issue the commissioning certificate?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
98.	<p>Query Clause: 1.4</p> <p>Query: Request for Extension of Bid Submission Date</p> <p>We are currently in advanced discussions with international technology providers, which involve detailed evaluation of process technology, plant configuration, and technology transfer terms. These discussions are taking additional time due to their technical complexity.</p> <p>Suggested Clarification:</p> <p>In view of the above, it is requested to extend the Bid Due Date by 30 days from 28th May 2026, to enable submission of a technically robust and well-evaluated proposal.</p>	Provisions of the RFP shall prevail.
99.	<p>Query Clause: 2.2.1</p> <p>Corporate Structure, Consortiums & Qualification Criteria</p> <p>The Bidder for the purpose of shortlisting may be an Entity, or a group of Entities (the "Consortium").</p> <p>Query:</p> <p>Kindly clarify whether foreign technology partners are permitted as consortium members, whether the consortium structure may be modified post-LOA, and whether technology licensors may participate as minority partners.</p>	The relevant clauses of the RFP are self-explanatory.
100.	<p>Query Clause: 2.2.1</p> <p>“For the purposes of this RFP, Associate means, in relation to the Bidder/ Member, a body corporate (incorporated in India or outside) who Controls, is Controlled by, or is under the common Control with such Bidder/ Member...”</p> <p>Query:</p> <p>Restrictive "Control" Definition for Associates</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>This strict requirement of "Control" prevents smaller companies from forming strategic alliances or joint ventures for net worth purposes without ceding their independence. We suggest relaxing the definition of an Associate to include strategic partners or investors without mandating strict ownership control.</p>	
<p>101.</p>	<p>Query Clause: 2.2.1 (Associate), 2.2.6–2.2.7, Appendix X (JBA), 4.1.5–4.1.6) Requirement for tech partner to be Consortium Member / signatory & role in bid docs Relevant</p> <ul style="list-style-type: none"> • In cases where a Bidder relies on foreign or domestic technology partners for core process know-how (oxide-to-metal, alloying, sintering etc.) but such partners do not wish to be equity holders or formal Consortium Members at bidding stage, will the Government permit: <ul style="list-style-type: none"> (a) submission of Technical Bids supported by technology support letters / MoUs / indicative ToT term sheets without requiring the tech partner to sign the Joint Bidding Agreement in Appendix X; and (b) formalisation of the tech partner’s role (through ToT agreements, equity stake or Consortium inclusion) only post-LOA? • Additionally, if a tech partner does become a Consortium Member, is it mandatory for them to sign the Joint Bidding Agreement and bid documents at submission stage, or can signing be deferred till LOA to protect their commercial confidentiality? <p>Request: To seek procedural flexibility so that sensitive technology partners can be brought in without full public disclosure or legal formalities at the initial bid stage.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
<p>102.</p>	<p>Query Clause: 2.2.1(a) Consortium Participation and Multiple Bids: Restriction on participation in more than one consortium limits upstream integration. Request:</p>	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
	<ul style="list-style-type: none"> Allow participation in multiple consortia in a non-controlling role, as Entellus has the capacity to supply all bidders. <p>Enable capacity sharing across beneficiaries to maximize output.</p>	
103.	<p>Query Clause: 2.2.1(a), 2.3.1, 2.7.2</p> <p>Query:</p> <ul style="list-style-type: none"> Can an SPV (Special Purpose Vehicle) formed for this project include: <ol style="list-style-type: none"> Foreign technology partners as shareholders? Strategic investors? <p>Also, after the LOA is issued, is the bidder allowed to bring in new investors or change the shareholding?</p>	The relevant clauses of the RFP are self-explanatory.
104.	<p>Query Clause: 2.2.1(b)</p> <p>Query: Conflict of Interest provisions with cross-shareholding restrictions.</p> <ul style="list-style-type: none"> Whether common PE/VC investors holding minority stakes in multiple bidders trigger disqualification. <p>Clarify treatment of passive financial investors without control rights.</p>	The relevant clauses of the RFP are self-explanatory.
105.	<p>Query Clause: 2.2.1(b) (Conflict of Interest), 2.2.1 Explanation (Associate), Sec. 5 (Fraud & Corrupt Practices)</p> <p>Ability of a technology partner to support multiple bidders</p> <ul style="list-style-type: none"> Under the Conflict of Interest provisions in Clause 2.2.1(b), would a technology partner that is not a shareholder, not a Consortium Member, and only provides non-exclusive technology licences or technical services, be free to support multiple unrelated Bidders under the Scheme, or would such multi-party support be treated as creating a Conflict of Interest or an “undesirable practice” under Section 5? 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>Request: To know whether a limited-role tech specialist can work with more than one Bidder without disqualifying all of them for Conflict of Interest.</p>	
<p>106.</p>	<p>Query Clause: 2.2.2 “The Bidder shall have a minimum Net Worth as per the table below: 600 MTPA requires a Minimum net worth of INR 180 crore.” Query: Unrealistic Net Worth Requirements for MSMEs The minimum net worth threshold of INR 180 crore for the lowest capacity tier is prohibitively high and naturally excludes capable MSMEs from participating. To foster a broad and resilient domestic ecosystem, we request the Ministry to significantly lower this threshold or create a dedicated carve-out specifically designed to encourage MSME participation.</p>	<p>Provisions of the RFP shall prevail.</p>
<p>107.</p>	<p>Query Clause: 2.2.2 Qualification Criteria (which focuses entirely on Net Worth) and Clause 4.1.5 (m) Detailed Project Report... detailing... Experience of manufacturing and marketing of sintered NdFeB REPM. Query: Lack of Mandatory Prior Technical Experience While the scheme asks for experience details in the DPR, there is no strict technical pre-qualification criterion preventing entirely inexperienced companies from bidding. Magnet manufacturing requires highly complex powder metallurgy and material science expertise. Allowing inexperienced players to bid purely based on financial strength risks unrealistic underbidding and eventual project failure. We request a mandatory technical pre-qualification criterion requiring bidders to have a proven track record in relevant advanced material processing.</p>	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
108.	<p>Query Clause: 2.2.2 Eligibility- Net worth/ Associate</p> <p>In case credit is claimed for an Associate, necessary evidence to establish the relationship of the Bidder with such Associate, shall be provided. Further, where an Associate’s credentials are used in order to meet the eligibility criteria prescribed herein, such Associate shall be required to remain an Associate of the Bidder and the Beneficiary for the entirety of the Scheme Tenure, and any failure to do so shall be deemed to be a Change in Ownership of the Beneficiary for the purposes of this RFP.</p> <p>For computing the Net Worth of a Bidder, the Net Worth of its Associates (or the Associates of the Lead Member) would also be eligible.</p> <p>Query:</p> <ul style="list-style-type: none"> We understand that the net worth of more than one Associate can be aggregated for the purpose of meeting the net worth eligibility criteria under the RFP since no restriction is prescribed to this regard. Thus, if a holding company has multiple subsidiaries, then the Net Worth certificates for the various subsidiary companies can be consolidated. <p>Synopsis of Query:</p> <p>Whether the net worth of more than one Associate can be aggregated to meet the net worth eligibility criteria under the RFP, and accordingly, whether net worth certificates of multiple subsidiary companies of the same holding company can be consolidated for this purpose.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
109.	<p>Query Clause: 2.2.2</p> <p>Query: Associate credentials can be used but must remain associate for Scheme tenure.</p> <ul style="list-style-type: none"> In case of listed companies, future restructuring may be unavoidable. How will this be handled? <p>Permit prior approval route for internal restructuring without adverse ownership change implications.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
110.	<p>Query Clause: 2.2.2, 2.2.6–2.2.7, 8.1.11</p> <p>Lead Member’s mandatory 51% & impact on industrial partners (e.g. TACO)</p> <ul style="list-style-type: none"> The RFP requires that in a Consortium, only the Lead Member’s credentials are considered for technical qualification, and the Lead Member must hold at least 51% equity in the Beneficiary throughout the Scheme Tenure, limiting others collectively to 49%. This effectively caps an industrial partner such as Tata Auto Comp at 49% even if it brings significant operating capability. Is any flexibility envisaged—for example, allowing reduction of the Lead Member’s stake below 51% after achieving all Milestones and full commissioning, subject to prior Government approval and continued compliance with financial and technical requirements? <p>Request: To explore whether long-term ownership can be re-balanced once project risks reduce, without violating Scheme requirements.</p>	<p>Provisions of the RFP shall prevail.</p>
111.	<p>Query Clause: 2.2.2</p> <p>Query: Combined Net Worth</p> <p>We understand that the Net Worth of a Bidder and its Associates can be aggregated to meet the minimum threshold. For example, if a Bidder has a Net Worth of ₹120 crore and its Associate has ₹70 crore, will the combined ₹190 crore be considered to meet the ₹180 crore requirement for a 600 MTPA capacity?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
112.	<p>Query Clause: 2.2.2</p> <p>Eligibility- Net worth/ Associate</p> <p>Query:</p> <ul style="list-style-type: none"> In certain countries, the Statutory Auditor is not allowed to issue a Net Worth Certificate under the respective country’s regulations. Thus, in the given situation, the flexibility shall be provided by enabling these entities to submit Net Worth Certificate issued by any other Chartered Accountant of India or respective jurisdictions. 	<p>In jurisdictions where statutory auditor is not permitted under local regulations to issue a Net Worth Certificate, such certificate should be issued by professional bodies/ entities qualified to act as such statutory auditor.</p> <p>Any such certification should: (i) comply with all requirements of the RFP for Net Worth certificate, and (ii) be accompanied</p>

S. No.	Query	Response
	<ul style="list-style-type: none"> Further, kindly confirm the supporting documentation and authentication requirements, if any, for submission of such foreign audited financial statements. <p>Synopsis of Query: In cases where the statutory auditor of a foreign entity is not permitted under local regulations to issue a Net Worth Certificate, whether such entity may submit a Net Worth Certificate issued by any other Chartered Accountant in India or the relevant jurisdiction, and the supporting documentation and authentication requirements for submission of the foreign audited financial statements.</p>	<p>by appropriate representations from the bidder and documentary evidence(s) establishing that local regulations prohibit the statutory auditor from issuing such certificate.</p>
113.	<p>Query Clause: 2.2.2</p> <p>For computing the Net Worth of a Bidder, the Net Worth of its Associates (or the Associates of the Lead Member) would also be eligible”. Since the wording says computing, we assume that it means that the Networth of the Associate and the Networth of the Bidder can be added and the combined Net Worth should be more than Rs.180 crores (for 600 Mmtpa capacity). Please confirm our understanding is in order. Accordingly, we can enter the list of Bidder and its associates and add their Networths in the information which is required to be submitted under Annexure V. Just to clarify, if the Networth of the Bidder is Rs.120 crores, and the Networth of its Associates is Rs.70 crores, the Networth which would be considered would be Rs.190 crores and hence Bidder would meet the criteria of Net Worth exceeding Rs.180 crores for a 600 mtpa capacity. Please confirm if our understanding is in order.</p>	<p>The net-worth of Bidder and Associates may be aggregated, to the extent not already reflected in their respective net worths as per applicable accounting standards, for determination of the Net Worth of the Bidder as per Clause 2.2.2. In case Associate’s credentials are used in order to meet the eligibility criteria, such Associate(s) shall be required to remain an Associate of the Bidder and the Beneficiary for the entirety of the Scheme Tenure as per Clause 2.2.2.</p>
114.	<p>Query Clause: 2.2.2, 2.2.1, Appendix V,</p> <p>Query: For meeting the net worth requirement (₹375 crore for 1,200 MTPA), can the bidder combine the net worth of all group companies (parent, subsidiaries, and associates)? What documents are needed to prove the 'Associate' relationship?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
115.	<p>Query Clause: 2.2.2, 3.5.1</p> <p>Query:</p> <p>If an Associate's net worth is used to meet the threshold, the Associate must remain an Associate for the full 7-year Scheme Tenure. What happens if the Associate's net worth drops below the required level during the Scheme due to business losses or market conditions? Will this be treated as a breach?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
116.	<p>Query Clause: 2.2.3/4.1</p> <p>Corporate Structure, Consortiums & Qualification Criteria</p> <p>The Bidder shall have a minimum Net Worth as per the table below... Only credentials of the Lead Member shall be considered for satisfying the qualification criteria.</p> <p>Query:</p> <p>Regarding Technical Qualification (Clause 4.1), kindly clarify whether metallurgical processing experience in non-rare-earth sectors (e.g., aluminium, copper, zinc) shall be considered equivalent technical experience for qualification purposes. (Note: This is especially relevant for integrated metals players scaling into rare earths).</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
117.	<p>Query Clause: 2.2.3/4.1</p> <p>Corporate Structure, Consortiums & Qualification Criteria</p> <p>The Bidder shall have a minimum Net Worth as per the table below... Only credentials of the Lead Member shall be considered for satisfying the qualification criteria.</p> <p>Query:</p> <p>Regarding the Net Worth requirements, kindly clarify whether the Net Worth of all consortium members may be aggregated for qualification purposes, or if strictly only the Lead Member's Net Worth shall be considered.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
118.	<p>Query Clause: 2.2.3(b)</p> <p>Please confirm that under definition of Net Worth as per Clause 2.2.3(b) of the RFP, “share securities premium amount” would be considered as “reserves not available for distribution to equity shareholders” or not?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
119.	<p>Query Clause: 2.2.3(b)</p> <p>Query: Net Worth Computation</p> <p>Please confirm if the Securities Premium Account is included in the computation of "Net Worth." Specifically, does the term “reserves not available for distribution to equity shareholders” exclude the share securities premium amount?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
120.	<p>Query Clause: 2.2.5/ 2.2.6:</p> <p>Query: Consortium requires POA and Joint Bidding Agreement.</p> <ul style="list-style-type: none"> • Whether consortium members may be changed before LOA or after LOI. • Is there any restrictions on the number of consortium members. • Clarify stage-wise permissibility of induction/replacement of consortium members. <p>Provide definitive number limitation for consortium arrangement.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
121.	<p>Query Clause: 2.2.7(d)/2.7.2</p> <p>Corporate Structure, Consortiums & Qualification Criteria</p> <p>"...the Lead Member (in case of the Selected Bidder being a Consortium) shall hold not less than 51% (fifty-one per cent) of Beneficiary's issued and paid-up equity for the Scheme Tenure..."</p> <p>Query:</p> <p>Kindly clarify the minimum equity lock-in period applicable to the Lead Member, and whether dilution below the prescribed 51% threshold is permitted post-Milestone 3 completion. Furthermore, for an Indian</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>company forming a wholly owned SPV, is the Selected Bidder permitted to divest up to 49% of the SPV equity to a strategic partner post-LOA without it constituting a Breach of Obligations?</p>	
<p>122.</p>	<p>Query Clause: 2.2.8 Query: A Bidder including any 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 Member, nor has been expelled from any project or contract by any public entity nor has had any contract terminated by any public entity for breach by such Bidder or Member.</p> <ul style="list-style-type: none"> • The clause is ambiguous and shall lead to conflict/dispute in the future. This clause is not clear to the extent of against whom the award has been given i.e., PSU/Private sector/ Vendor/ MSME. <p>We request for deletion of this clause.</p>	<p>Provisions of the RFP shall prevail.</p>
<p>123.</p>	<p>Query Clause: 2.3.1, 2.7.2 & 2.7.3 Query: We understand that SPV structure is permissible for Indian bidders. With respect to SPV and its shareholding, it is requested to clarify and confirm:</p> <ul style="list-style-type: none"> • That the selected Bidder (being an Indian company) may, at any time after incorporation of the SPV and during the Scheme Tenure, induct minor changes in shareholding, provided the Selected Bidder continues to hold more than 50% of the issued and paid-up equity of the SPV and retains management control. • That, subject to (a) above, no restrictions shall apply to changes in SPV shareholding or stake during the incentive disbursement period. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<ul style="list-style-type: none"> • That intra-group restructuring — including transfer of SPV shares to any entity that is an Associate of the Selected Bidder or within the same ultimate holding structure, shall not be treated as a Change in Ownership under Clause 2.7.2 or 2.7.3. • That any such change in shareholding, undertaken with prior written intimation to the Authority and not resulting in the Selected Bidder's stake falling to 50% or below, shall not affect the SPV's eligibility for Sales Incentive or Capital Subsidy under the Scheme. <p>Justification: This clarification on permitted changes in SPV shareholding and intra-group restructuring during the incentive period is essential for long-term project financial planning.</p>	
124.	<p>Query Clause: 2.3.1, 2.7.2–2.7.3, Glossary – “Change in Ownership”, 8.1.11 Dilution for new investors and “permitted” Change in Ownership</p> <ul style="list-style-type: none"> • Clause 2.7.2 prohibits any Change in Ownership of the Beneficiary SPV during Scheme Tenure and requires the Selected Bidder’s stake to remain above 50% and Lead Member’s stake at $\geq 51\%$; any breach constitutes a Breach of Obligations under Cl. 3.5. If the SPV must raise substantial new equity from strategic/financial investors, requiring dilution of the Selected Bidder’s or Lead Member’s stake below these thresholds, is there any mechanism for seeking prior Government consent to treat such dilution as a “permitted”/approved change, or will any such dilution automatically trigger Change-in-Ownership consequences and termination under 2.7.3 and 3.5? <p>Request: To assess flexibility for future capital raising and syndication of the project while remaining compliant with ownership lock-ins.</p>	Provisions of the RFP shall prevail.
125.	<p>Query Clause: 2.4.1, 2.2.1(a),2.2.1(b) Query: Can a single promoter group submit more than one bid through different legal entities (for example, a parent company and its subsidiary), each bidding for up to 1,200 MTPA? Or does the restriction in Clause 2.4.1 completely block this?</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
126.	<p>Query Clause: 2.6 Bidding Process & Evaluation</p> <p>The Government reserves the right to accept or reject any Bid and to annul the Bidding Process and reject all Bids, at any time without any liability...</p> <p>Query: Kindly clarify whether the capacity allocation methodology and the specific evaluation rationale shall be communicated transparently to bidders in the event of partial allocation outcomes.</p>	Provisions of the RFP shall prevail.
127.	<p>Query Clause: 2.7.2, 2.7.3</p> <p>As per Clause 2.7.2, “for the purposes of determining whether a Change in Ownership has occurred under Clause 2.7.2 (Change in Ownership) and this Clause 2.7.3 (Change in Ownership Determination), 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, as may be amended, modified, or supplemented, from time to time, as in force on the date of such acquisition”.</p> <p>Query:</p> <ul style="list-style-type: none"> • If the Beneficiary is an Unlisted Company, this clause is not applicable. Please confirm if our understanding is in order. <p>If however, this clause is applicable to an Unlisted Company, whether Change in Ownership of Beneficiary is triggered by change in Ownership of >25% as per SAST Regulations or >50% as mentioned in this RFP?</p>	The relevant clauses of the RFP are self-explanatory.
128.	<p>Query Clause: 2.7.2-2.7.3</p> <p>Control by tech partner via board rights vs equity shareholding & exit</p> <ul style="list-style-type: none"> • Glossary – “Control”, 2.7.2–2.7.3 (Change in Ownership)-“Control” includes rights to appoint majority of directors or control management or policy decisions, regardless of shareholding level. If a tech partner holds less than 49% equity in the Beneficiary SPV but has extensive board / veto rights under collaboration agreements such that it effectively exercises “Control”, will this be treated as a 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>Change in Ownership under Clauses 2.7.2–2.7.3 even where the Lead Member retains $\geq 51\%$ equity? Also, if exit of such a tech partner (as shareholder or controller) is contemplated within or before the 7-year Scheme Tenure, is there any provision to seek prior approval for exit or replacement without this being deemed a Change in Ownership / Breach, provided technical and capacity obligations continue to be met?</p> <p>Request: To clarify how “Control” will be applied in practice in complex tech-JV structures, and whether managed exit/replacement of a tech partner is possible within the Tenure.</p>	
129.	<p>Query Clause: 2.7.2–2.7.3, Glossary – “Change in Ownership” & “Control” Upstream change of control at parent level</p> <ul style="list-style-type: none"> Where there is a change of control at the parent-company level of the Selected Bidder (e.g. via IPO, strategic sale, group-level restructuring), but the SPV shareholding remains unchanged (Selected Bidder $\geq 50\%$, Lead Member $\geq 51\%$), will this upstream transaction be regarded as a Change in Ownership of the Beneficiary by virtue of indirect “Control” tests, or will such upstream changes be permitted so long as direct SPV shareholding and control structure remains as per RFP conditions? <p>Request: To clarify whether corporate actions at the parent level may inadvertently breach Scheme lock-ins and how such scenarios will be handled.</p>	The relevant clauses of the RFP are self-explanatory.
130.	<p>Query Clause: 2.7.2 Query: As per Clause 2.7.2, “for the purposes of determining whether a Change in Ownership has occurred under Clause 2.7.2 (Change in Ownership) and this Clause 2.7.3 (Change in Ownership Determination), 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, as may be amended, modified, or supplemented, from time to time, as in force on the date of such acquisition”.</p> <p>Our query is as follows: -</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<ul style="list-style-type: none"> If the Beneficiary is an Unlisted Company, this clause is not applicable <p>If however, this clause is applicable to an Unlisted Company, Change in Ownership of Beneficiary is triggered by change in Ownership of >25% as per SAST Regulations or >50% as mentioned in this RFP.</p>	
131.	<p>Query Clause: 2.7.2</p> <p>Query:</p> <p>The clause restricts any change in ownership of the SPV, which could limit the company's ability to restructure or bring in new investors. This could pose a risk if the company needs to adapt to changing business conditions or financial requirements.</p>	Provisions of the RFP shall prevail.
132.	<p>Query Clause: 2.7.2</p> <p>Query:</p> <p>The Government may reject the Bid with properly assigned reasons and grounds on which Bid is rejected. As otherwise this could lead to disputes if bidder's feel the rejection was arbitrary and the breach is contested.</p>	Provisions of the RFP shall prevail.
133.	<p>Query Clause: 2.7.2</p> <p>Query:</p> <p>If an Indian entity bids alone but later wishes to form an SPV in a Joint Venture, is prior approval required?</p>	The relevant clauses of the RFP are self-explanatory.
134.	<p>Query Clause: 2.7.3</p> <p>Change in Composition of Consortium and Change in Ownership</p> <p>Extract of RFP Provision: Control shall mean, in relation to any Entity:</p> <p>(i) where such Entity is a company or corporation:</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>(a)the ownership, directly or indirectly, of more than 50% (fifty per cent) of the economic or voting shares of such person; or</p> <p>(b)the right to appoint a majority of the directors or to control the management or policy decisions exercisable by a person acting individually, directly or indirectly, including by virtue of their shareholding or management rights or shareholders’ agreements or voting agreements or in any other manner; and</p> <p>(ii) where such Entity is not a company or corporation, the power to direct the management and policies of such person</p> <p>Change in Ownership Shall mean a transfer of the direct and/or indirect legal or beneficial ownership of, or fresh issue of, any shares, or securities convertible into shares, that:</p> <p>(a) causes the aggregate holding of:</p> <p>(i) the Selected Bidder to fall to 50% (fifty per cent) or below; or</p> <p>(ii) the Lead Member to fall below 51% (fifty-one per cent), in each case, in the total equity of the Beneficiary (being an SPV) on a fully diluted and as converted basis; or</p> <p>(b) results in a change in Control of such Beneficiary.</p> <p>In case the Beneficiary is an SPV, by submitting the Bid, the Bidder acknowledges and agrees that in the event of a Change in Ownership of the Beneficiary, the Selected Bidder and Beneficiary 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 Selected Bidder and/or Beneficiary.</p> <p>In the event such a Change in Ownership occurs after the issuance of the LOI or LOA (as applicable), it would, be deemed to be a breach of the LOI or LOA, and the LOI or the LOA shall be terminated without the Government being liable in any manner whatsoever to the Beneficiary and / or the Selected Bidder. In such an event, the Government shall be entitled to forfeit and appropriate the Bid Security or Performance</p>	

S. No.	Query	Response
	<p>Security, as the case may be, as damages, without prejudice to any other right or remedy that may be available to the Government under the RFP or otherwise.</p> <p>Query/ Clarification sought:</p> <p>Our Understanding: Based on the provisions laid down regarding control and change in ownership, we understand that any intermediate change in shareholding within the group, which does not result in a change in ownership or control at the ultimate holding company level, shall not constitute a “Change in Ownership” and shall not impact the incentive eligibility of the Beneficiary. For instance, where Company aA is the ultimate holding company and has a subsidiary, Company B, which is engaged in multiple lines of business including magnet manufacturing, and Company B participates in the Bid, any subsequent internal group restructuring whereby the project-specific SPV in India is transferred from Company B to another group entity, Company B1 (focusing on magnet business), would not be construed as a Change in Ownership, provided that the ultimate ownership and control continue to vest with Company A. Accordingly, such internal reorganization within the same group, without any dilution or change at the ultimate holding company level, should not be regarded as a violation of the Change in Ownership provisions under the Scheme</p> <ul style="list-style-type: none"> • Whether any intermediate restructuring which does not result in a change in ownership or control at the ultimate holding company level would be treated as a “Change in Ownership” and impact the incentive eligibility of the Beneficiary under the Scheme. • Whether corporate reorganisation of the Lead Member involving transfer of the SPV and technology pursuant to a split or demerger with mirror shareholding and same ultimate beneficial ownership would constitute a Change in Ownership or Change in Control. • Whether control is interpreted only at the SPV level or through the entire ownership chain, and whether a change in control at the Lead Member or ultimate parent level constitutes a Change in Ownership of the Beneficiary. • Whether an SPV set up by a foreign entity as a wholly owned subsidiary can subsequently be held up to 51% by the Bidder with the balance transferred to commercial partners or strategic investors 	

S. No.	Query	Response
	<ul style="list-style-type: none"> • Whether a change in shareholding at the upstream Lead Member or consortium member level constitutes a Change in Ownership of the Beneficiary, and whether an exception is available where PE funds are shareholders at the Lead Member level. • In the event that the Bidder or the Lead Member (in case of a Consortium), the Beneficiary SPV, or any holding company or ultimate beneficial owner (UBO) of the Bidder / Lead Member / SPV is subsequently listed on a recognised stock exchange, resulting in dilution of shareholding due to public shareholding dispersed in the market, kindly clarify whether such listing and consequent dilution would be construed as a “Change in Ownership” at the Beneficiary level as such listing does not result in any change in control, management rights, or the ability to influence the strategic or operational decisions of the Beneficiary • Whether the condition will be applicable of lead member of the SPV requiring to hold shares of more than or equal to 51% even when the SPV is listed on Indian Stock exchange • Where an Indian company submits the Bid and, upon award, incorporates a project specific SPV as the Beneficiary, whether it is permissible for the shareholding of such SPV to be restructured post incorporation, subject to the Indian Bidder retaining a minimum of 51% shareholding and control in the SPV at all times; and whether the balance shareholding in the SPV may be held by other shareholders (including strategic investors, financial investors and/or group entities), provided that the minimum prescribed shareholding and control requirements applicable to the Bidder / Lead Member under the RFP continue to be complied with on a continuing basis. • Whether, in such a case, the restriction relating to “Change in Ownership” is intended to apply only to the controlling shareholder / Lead Member, or whether it extends to all shareholders of the SPV, including minority shareholders • In case the SPV is subsequently listed on a recognised stock exchange, resulting in dilution of shareholding due to public shareholding dispersed in the market, kindly clarify whether such listing and consequent dilution would be construed as a “Change in Ownership” at the Beneficiary level as such listing does not result in any change in control, management rights, or the ability to influence the strategic or operational decisions of the Beneficiary 	

S. No.	Query	Response
	<p>Synopsis of Query:</p> <ul style="list-style-type: none"> • Whether any intermediate intra group restructuring that does not result in a change in ownership or control at the ultimate holding company level would be treated as a “Change in Ownership” and impact the incentive eligibility of the Beneficiary under the Scheme. • Whether an SPV set up by a foreign entity as a wholly owned subsidiary may subsequently be diluted up to 51% in favour of the Bidder, with the balance equity being transferred to financial investors or commercial / strategic partners. • Whether a change in shareholding at the upstream Lead Member or consortium member level constitutes a Change in Ownership of the Beneficiary, and whether an exception is available where PE funds are shareholders at the Lead Member level • Whether listing of the Bidder / Lead Member / Beneficiary SPV, or any holding company or UBO thereof, resulting in dilution due to public shareholding, would be treated as a Change in Ownership at the Beneficiary level, • Whether the requirement for the Lead Member to hold at least 51% equity would continue to apply even where the SPV is listed on an Indian stock exchange. <p>Where an Indian company submits the Bid and subsequently incorporates a project specific SPV as the Beneficiary, whether the shareholding can be transferred subject to retaining 51%.</p>	
135.	<p>Query Clause: 2.10</p> <p>Query:</p> <p>In accordance with Clause 2.10 (Clarifications) of the RFP, we hereby submit the following requests for clarification to enable accurate understanding of the RFP provisions and to facilitate a fully compliant submission of our bid. In view of the number and complexity of the clarifications sought, and the time required to suitably incorporate the responses into our project structuring, financing, internal approvals and bid documentation, we respectfully request that the current bid submission due date of 28 May 2026 may</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>please be extended by a further period of three months, with corresponding adjustments to related timelines, as the Ministry may deem appropriate.</p>	
<p>136.</p>	<p>Query Clause: (2.22.6, 3.4.2, 3.5.1–3.5.3, 7.1-7.3) Scope of breaches that can trigger encashment of Performance / Bid Security</p> <ul style="list-style-type: none"> • Performance Security (₹20–40 crore) can be encashed upon “any breach” under the RFP (Cl. 3.4.2) and Bid Security can be forfeited for a broad range of events including later determination of ineligibility even without misrepresentation (Cl. 2.22.6). In order to align risk proportionately with the long-duration nature of these projects, will the Government consider restricting invocation of Performance Security to specified material breaches such as failure to meet commissioning by a defined long-stop date, fraud / wilful default / material misrepresentation, or unapproved Change in Ownership rather than permitting full encashment for minor or procedural breaches (e.g., delay in submission of monthly progress reports under Clause 3.2.2? Will an opportunity of being heard will be provided before encashing the performance guarantee. <p>Request: To reduce perceived downside risk for lenders and investors by ring-fencing Performance Security encashment to genuinely material events and possibly provide an opportunity for personal hearing before treating a breach as final.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
<p>137.</p>	<p>Query Clause: 2.28.2, 3.1.4 Query: Clause 2.28.2 states that LOA will include “IREL Letter of Comfort”. Clause 3.1.4 states that “The supply of NdPr oxide shall be governed by a separate commercial agreement to be entered into between IREL and the Beneficiary”</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>Can the Government clarify whether the “IREL Letter of Comfort” will be issued automatically with the LOA for L1–L3, or only after separate commercial agreement?</p>	
<p>138.</p>	<p>Query Clause: 2.28.2 Query: Environmental clearance process</p> <p>The proposed NdFeB magnet manufacturing facility is required to obtain Environmental Clearance (EC) in accordance with the statutory provisions of the Ministry of Environment, Forest and Climate Change (MoEFCC), particularly under the Environmental Impact Assessment (EIA) Notification, 2006 and its subsequent amendments.</p> <p>The EC process typically involves multiple stages including screening, scoping, preparation of EIA/EMP reports, public consultation, and appraisal by the competent authority. Considering these procedural requirements and associated timelines, obtaining Environmental Clearance can reasonably take several (6-8) months.</p> <p>In this context, the stipulated timeline of 2 (two) years from the LOA date for achieving eligibility for capital subsidy appears challenging, as a significant portion of this period would be consumed in obtaining mandatory statutory approvals.</p> <p>Suggested Clarification: To address this concern and ensure realistic project execution timelines, it is requested to:</p> <ul style="list-style-type: none"> • Kindly provide an additional pre-construction window of 180 days between the issuance of Letter of Intent (LoI) and Letter of Award (LoA) to facilitate completion of the Environmental Clearance process; and 	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
	<ul style="list-style-type: none"> Allow the project execution timeline of 2 (two) years for construction and commissioning to be reckoned from the LOA date, post receipt of key statutory approvals. <p>This approach will enable timely compliance with regulatory requirements while ensuring effective project implementation within the prescribed timelines.</p>	
139.	<p>Query Clause: 3.1</p> <p>Query:</p> <p>In case IREL unable to supply the input material (Nd-Pr oxide) to the L1/I2/L3 bidders, then the "Milestone-3" will be affected. In such circumstances, Govt. must provide adequate provisions for the affected Bidders. Please clarify.</p>	Provisions of the RFP shall prevail.
140.	<p>Query Clause: 3.1, Scheme objectives 1.1.5–1.1.9 (policy backdrop)</p> <p>Broader RE supply strategy (heavy RE, bilateral arrangements)</p> <ul style="list-style-type: none"> Given that the Scheme currently focuses on NdPr oxide supply and acknowledges limits in domestic upstream and midstream capabilities, and that heavy rare earths may not be adequately covered by IREL, does the Government have a broader strategy (including possible bilateral arrangements) to help industry secure critical RE inputs over the project horizon? <p>Request: To understand long-term security of raw-material supply beyond the narrow NdPr allocations.</p>	The query does not pertain to the provisions of the RFP.
141.	<p>Query Clause: (3.1.1–3.1.9, Appendix XVI (IREL LoC)</p> <p>Supply-side risks and coordination with IREL</p> <ul style="list-style-type: none"> The RFP clarifies that procurement of NdPr oxide is solely the Beneficiary’s responsibility and that Milestones will not be relaxed for non-availability or delay of supply from IREL, though letters of comfort and allocated quantities are envisaged for L1–L3 Beneficiaries. For such Beneficiaries, is any formal coordination / escalation or dispute-resolution mechanism envisaged between MHI and IREL to address supply-side issues (production shortfalls, quality disputes, delivery delays, pricing 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>disagreements) that could materially affect Milestone achievement and utilisation of Allocated Capacity and incentive caps? Request: To clarify how supply-side risks with IREL will be managed in practice for those relying on its Letter of Comfort.</p>	
<p>142.</p>	<p>Query Clause: 3.1.4 The supply of NdPr oxide shall be governed by a separate commercial agreement to be entered into between IREL and the Beneficiary, in accordance with IREL’s standard supply terms and conditions. Query: Bidder request Govt/ IREL to provide the draft commercial terms & conditions of the Contract at this stage itself for better decision making by the Bidder.</p>	<p>Provisions of the RFP shall prevail.</p>
<p>143.</p>	<p>Query Clause: 3.1.5 The Government shall not be liable or responsible in any manner whatsoever for the supply of NdPr oxide by IREL. The obligations of IREL are independent contractual obligations, and the Government does not guarantee, underwrite, or assume any responsibility for the performance, delivery, or default by IREL pursuant to the Letter of Comfort or the commercial agreement entered into between IREL and the Beneficiary, nor shall any Bid of any Bidder be in any manner contingent on, the availability, price, or terms of supply of such NdPr oxide by IREL. Query: <ul style="list-style-type: none"> • Risk of quality issues or default in supply of NdPr oxide by IREL, affecting production schedules. Bidder needs assurance of consistent supply from GOI/ IREL to guaranteed attain production.</p>	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
144.	<p>Query Clause: 3.1.5</p> <p>Query:</p> <p>Please share an indicative price of Nd Pr oxide from IREL for the qualified bidders.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
145.	<p>Query Clause: 3.1.5</p> <p>Query:</p> <p>Though the requirement of Dy-Tb oxides (HREOs) are not mentioned in this section for the REPM manufacturing, it is necessary for high grade REPM. Govt. must also mention about the probable sources of Dy-TB oxides and in case this essential material is sourced by the Bidder then Govt. must mention what are the subsidies may be applicable.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
146.	<p>Query Clause: 3.1.5</p> <p>Query:</p> <p>Govt. must also mention the subsidies offered on the balanced Nd-Pr oxides that will be imported by the bidders to make 1200 TPA REPM manufacturing unit.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
147.	<p>Query Clause: 3.1.6:</p> <p>Query: IREL allocation methodology</p> <p>As per the RFP, each Beneficiary is required to establish an integrated sintered NdFeB REPM manufacturing facility with a capacity ranging from 600 MTPA to 1,200 MTPA. However, the methodology for allocation of NdPr oxide supply from IREL (India) Limited to the selected bidders (L1, L2, L3, etc.) is not clearly defined.</p> <p>It is currently understood that supply may be assured to selected bidders (L1 to L3); however, it is unclear whether such allocation will be:</p> <p>Proportionate to the installed/allocated capacity of each Beneficiary, or irrespective of plant capacity.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>Suggested Clarification: Illustrative Example: For instance, if: Bidder L1 sets up a 600 MTPA plant, Bidder L2 sets up an 800 MTPA plant, and Bidder L3 sets up a 1200 MTPA plant,</p> <ul style="list-style-type: none"> Kindly clarify, in this scenario, will the bidders receive assured supply of NdPr oxide as below ? (irrespective of the capacity proposed) <p>Bidder L1 - 200 MT Bidder L2 - 167 MT Bidder L3 - 133 MT</p>	
148.	<p>Query: Clause- 3.1.6 Query:</p> <ul style="list-style-type: none"> It is requested to clarify the residual stock allocation, as there are 02 more qualified bidders L4 & L5, the quantity should automatically be passed on to the next bidders as it would be tough to monitor the quantity being booked by top 03 bidders. <p>Justification: Automatic cascade of residual or additional IREL oxide to L4 and L5 in ranking order aligns with the Scheme’s objective of supporting all five Selected Bidders.</p>	Provisions of the RFP shall prevail.
149.	<p>Query Clause: 3.1.6 Query:</p> <p>Is the “NdPr oxide allocation fixed for the full Scheme Tenure”, or is it subject to periodic review depending on capacity expansion by IREL?</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
150.	<p>Query Clause: 3.1.6</p> <p>Query:</p> <p>In case IREL supply is disrupted, will “alternative domestic sourcing” (like the one expected from GMDC) be treated equivalently for verification and incentives?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
151.	<p>Query Clause: 3.1.6 & 3.1.9</p> <p>Raw Material Security & Sourcing</p> <p>The supply of NdPr oxide from IREL shall be allocated to the top three Selected Bidders (L1, L2, and L3)... L1: 200 MTPA</p> <p>No extension of time or relaxation of Milestones shall be available on account of non-availability, shortfall or delay in supply of NdPr oxide from IREL.</p> <p>Query:</p> <p>Regarding the supply of NdPr oxide, Clauses 3.1.6 and 3.1.7 stipulate that an L1 bidder setting up a 1,200 MTPA capacity would receive only 200 MTPA of oxide from IREL against an estimated requirement of 400 MTPA. Kindly clarify whether long-term allocation agreements for NdPr oxide supply from IREL (India) Limited will be executed with selected beneficiaries under this Scheme, and whether such allocation will be proportional to the allocated magnet manufacturing capacity.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
152.	<p>Query Clause: 3.1.7</p> <p>Commercial terms table it was mentioned in the last column as "Est. NdPr oxide supply from own arrangement(s) (MTPA)"</p> <p>Whether department has approved any supplier in India or outside of India for supply of NdPr Oxide for procurement of balance quantity to be arranged by the bidders. Will there be any MoU for tripartite agreement with manufacturer, supplier and the Govt of India to avoid the risk of supply. We request you to review and confirm.</p>	<p>The query does not pertain to the provisions of the RFP.</p>

S. No.	Query	Response
153.	<p>Query Clause: 3.1.7</p> <p>As per the clause 3.1.7, please confirm that the allocation of NdPr oxide from IREL to L1, L2 and L3, would be 200mtpa, 167mpta and 133mtpa respectively, irrespective of the manufacturing capacity of L1, L2 and L3.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
154.	<p>Query Clause: 3.1.7</p> <p>Query: NdPr Oxide Allocation</p> <p>Please confirm that the allocation of NdPr oxide from IREL to L1 (200 MTPA), L2 (167 MTPA), and L3 (133 MTPA) is fixed based on ranking, irrespective of the specific manufacturing capacity proposed by those bidders.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
155.	<p>Query Clause: 3.1.9</p> <p>Query:</p> <ul style="list-style-type: none"> • Risk of delay in project milestones due to non-availability or delay in supply of NdPr oxide from IREL. Further, Delay in providing supply by IREL could lead to non-availability or shortfall in supply of NdPr oxide, impacting the project's timeline and milestones. <p>Bidder needs assurance of consistent supply from GOI/ IREL to guaranteed attain production.</p>	<p>Provisions of the RFP shall prevail.</p>
156.	<p>Query Clause: 3.2</p> <p>Capacity Allocation & Project Verification</p> <p>Allocated Capacity: Shall mean, in relation to a Beneficiary, the quantum of integrated sintered NdFeB REPM manufacturing capacity... allocated by the Government...</p> <p>Query:</p> <p>Kindly clarify whether capacity expansion beyond the formally Allocated Capacity during the Scheme tenure shall remain eligible for incentive support.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
157.	<p>Query Clause: 3.2.1</p> <p>Query:</p> <p>Can a Bidder seek allocation higher/lower than its Committed Capacity post-award if implementation constraints arise?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
158.	<p>Query Clause: (3.2.2–3.2.3, 3.6, 3.7, 3.8, 3.9.2–3.9.3, 7.2–7.3, Appendices XX–XXII)</p> <p>SOPs for audit, documentation & classification to reduce disputes</p> <ul style="list-style-type: none"> • The RFP grants extensive audit, inspection and verification powers to Government, PMA, Independent Engineer and additional auditors, and contemplates severe consequences (including full recovery of Incentives with interest and encashment of Performance Security) where expenditure or sales are later found ineligible or mis-classified. To minimise interpretational disputes over the long Scheme Tenure, can the Government issue, preferably before bid submission, a detailed SOP or guidance note covering: (i) documentation standards for Eligible Investment and eligible sales; (ii) allocation/apportionment methods for shared assets, utilities and overheads; and (iii) detailed interpretation examples for “Eligible Investment” (including R&D / ToT) and “eligible sales”, so that bidders can configure accounting / ERP and internal controls accordingly and price compliance risk more accurately? <p>Request: To reduce ambiguity, avoid ex-post disputes and make compliance and audit expectations transparent upfront.</p>	<p>Provisions of the RFP shall prevail.</p>
159.	<p>Query Clause: 3.2.3</p> <p>Query:</p> <p>It is requested to amply clarify the following:</p> <ul style="list-style-type: none"> • Standard format for the submission of Verification of Commissioning application, so as to eliminate scope for interpretational variance at the verification stage. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<ul style="list-style-type: none"> Time-bound verification framework to ensure the verification of commissioning within the prescribed period from receipt of a complete application. <p>Justification: A prescribed application format and a defined evaluation timeline would avoid indeterminacy and procedural opacity at the verification stage, which is the gateway to release of the Capital Subsidy and commencement of the Sales Incentive.</p>	
160.	<p>Query Clause: 3.2.3</p> <p>Query:</p> <p>Any delay in providing Certificates from i) the Department of Industries and ii) a chartered engineer empanelled with the PMA, will impact project timelines and statutory compliance. This will also impact realisation of Govt. incentives as envisaged.</p>	Provisions of the RFP shall prevail.
161.	<p>Query Clause: 3.3.1</p> <p>Query:</p> <p>Obligations of the Government (a) The Government agrees to disburse Sales Incentive and Capital Subsidy to the Beneficiary, in accordance with the Scheme, RFP, LOI, LOA and other guidelines which are issued from time to time</p> <ul style="list-style-type: none"> The clause indicates that guidelines for disbursement of incentives may be issued from time to time, which introduces ambiguity regarding the conditions and timing of incentive disbursements. <p>Government shall consult the stakeholders before taking such actions</p>	Provisions of the RFP shall prevail.
162.	<p>Query Clause: 3.4.1(a)</p> <p>Query:</p> <p>The Performance Security shall remain valid until 8 (eight) years from the LOA Date, with a further claim period of 1 (one) year thereafter. Pending submission and effectiveness of the Performance Security in accordance with this Clause, the Bid Security furnished by the Selected Bidder shall remain valid and enforceable.</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<ul style="list-style-type: none"> • BG validity of 8 (eight) years at one go is not practically feasible. <p>It is proposed that the Bidder shall ensure BG is maintained for the scheme tenure with initial validity of maximum four year thereafter annual renewal of the same.</p>	
163.	<p>Query Clause: 3.4.1(c)</p> <p>Submission of Performance Security: The Selected Bidders shall submit a Performance Security as follows: 600 MTPA requires INR 20 crore.</p> <p>Query: High Burden of Performance Security</p> <p>Locking in INR 20 crore to INR 40 crore represents a massive capital burden, especially considering that capital costs may increase multifold due to recent international equipment and technology restrictions from the PRC. We request the Ministry to substantially reduce this amount or allow it to be submitted in staggered phases aligned with milestone achievements.</p>	Provisions of the RFP shall prevail.
164.	<p>Query Clause: 3.5.1(g)(i)</p> <p>Interpretation of Control Code</p> <p>As defined in Clause 3.5.1(g)(i) of this RFP</p> <p>3.5.1 The occurrence of any of the following events or circumstances shall constitute a “Breach of Obligations” under the Scheme, RFP, LOI and LO.</p> <p>(g) Occurrence of an Insolvency Event in respect of the Selected Bidder or the Beneficiary.</p> <p>For the purposes of this Clause, the term “Insolvency Event” in respect of the Selected Bidder or Beneficiary means:</p> <p>(i) such Selected Bidder or Beneficiary (or any constituent thereof) has (A) applied for or consented to the appointment of, or the taking of possession by, a receiver, custodian, trustee, administrator, liquidator or the like of itself or of all or a substantial part of its assets or business; (B) been unable to pay its debts as such</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>debts become due; (C) entered into a compromise arrangement with its creditors; (D) an attachment or restraint has been levied on the assets of such entity which materially affects such entity’s ability to perform its obligations under this Agreement; (E) commenced proceedings under the (Indian) Insolvency and Bankruptcy Code, 2016 (“Code”); (F) filed a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up, or composition or readjustment of debts; or (G) taken any corporate or other action for the purpose of effecting any of the foregoing:or</p> <p>Query:</p> <ul style="list-style-type: none"> • Whether reference to the 'Code' is intended to strictly apply the principles of control under the SEBI Takeover Code or is only illustrative, given that strict application may trigger breaches even in minority investor protection scenarios. <p>Synopsis of Query:</p> <p>Whether reference to the 'Code' is intended to strictly apply the principles of control under the SEBI Takeover Code or is only illustrative, given that strict application may trigger breaches even in minority investor protection scenarios.</p>	
165.	<p>Query Clause: 3.5.3</p> <p>Query:</p> <p>Termination in Event of Breach of Obligations:</p> <p>a). Upon the occurrence of any Breach of Obligations for a continuous period of 60 (sixty) days (other than Clause 3.5.1(g) (Insolvency Event), where such notice may be sent immediately on occurrence of an Insolvency Event), the Government may deliver a default notice (“Breach of Obligations Notice”), specifying the reasonable details and calling upon the Selected Bidder/ Beneficiary (as applicable) to remedy the same.</p> <ul style="list-style-type: none"> • Termination in Event of Breach of Obligations: <p>(a) Upon the occurrence of any Breach of Obligations not attributable to the Bidder for a continuous period of 60 (sixty) days (other than Clause 3.5.1(g) (Insolvency Event), where such notice may be sent</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>immediately on occurrence of an Insolvency Event), the Government may deliver a default notice (“Breach of Obligations Notice”), specifying the reasonable details and calling upon the Selected Bidder/ Beneficiary (as applicable) to remedy the same.</p>	
<p>166.</p>	<p>Query Clause: 3.6 Query: Please provide a well-defined checklist which can easily conform the successful completion of "Milestone-3"</p>	<p>Provisions of the RFP shall prevail.</p>
<p>167.</p>	<p>Query Clause: 3.6/3.7 Capacity Allocation & Project Verification The Independent Engineer shall... review and certify that the Beneficiary has achieved respective Milestones..." "Completion certificate shall be issued upon satisfaction of milestone conditions." Query: <ul style="list-style-type: none"> • Regarding verification by the Independent Engineer, kindly clarify the expected timeline for milestone verification, the specific documentation requirements for certification, and whether digital submission of compliance documents is acceptable. Kindly confirm whether completion certification under Clause 3.7 strictly requires full-load testing, commercial dispatch evidence, or a third-party validation report.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
<p>168.</p>	<p>Query Clause: 3.6.3, 3.2.2, 3.7.1 Query: The Independent Engineer is paid by the Government (Clause 3.6.3), but PMA (IFCI) site visit costs (travel and allowances) must be paid by the beneficiary (Clause 3.2.2). Please share an estimate of PMA inspection costs per visit and the expected frequency of visits, so bidders can include this in their project budgets.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
169.	<p>Query Clause: 3.10</p> <p>Query:</p> <p>Change in Law: No adjustment, compensation or other relief may be claimed by, or available to, the Beneficiary on account of a Change in Law. For the avoidance of doubt (i) the Beneficiary, shall bear the consequences of any Change in Law, and no relief shall be applicable for any increase in costs, reduction in net after-tax return or other financial burden (and conversely, no adjustment shall be applicable for any reduction in costs, an increase in net after-tax return or other financial gain); and (ii), no adjustment shall be made to any Incentives (including the Sales Incentive or the Capital Subsidy), the Milestones, the Scheme Tenure, the Performance Security, or any other amount or obligation under the RFP on account of a Change in Law</p> <p>This is detrimental to Bidder.</p> <p>It is requested that the adjustment, compensation or other relief may be claimed by, or available to, the Beneficiary on account of a Change in Law for increase in Project/ Production costs or any other financial burden.</p>	Provisions of the RFP shall prevail.
170.	<p>Query Clause: 3.10, Page-4 Glossary</p> <p>Query:</p> <p>Clause 3.10 says the beneficiary gets zero relief for any Change in Law — no cost adjustment, no milestone extension, nothing. Over a 7-year period, if new environmental rules mandate extra pollution control (adding 10–15% to CAPEX), or import duties on rare earth materials go up, the entire burden falls on the bidder. Will the Government reconsider this and at least provide relief for major changes that increase costs beyond a threshold (say 10%)?</p>	Provisions of the RFP shall prevail.
171.	<p>Query Clause: 3.10, 3.5.2–3.5.3, 7.1–7.3</p> <p>Severity & proportionality of consequences under Change in Law and minor breaches Relevant</p> <ul style="list-style-type: none"> • Under Cl. 3.10, no adjustment or relief is available on account of Change in Law, and Cl. 3.5 & 7 allow cancellation and full recovery of Incentives with SBI MCLR-linked interest and encashment 	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>of securities for misrepresentation or Breach of Obligations. Will the Government consider limiting such extreme remedies (full recovery, encashment) to cases of wilful default, fraud, or material misrepresentation, rather than any minor / technical breach, especially where adverse Change in Law aggravates compliance difficulty?</p> <p>Request: To obtain comfort that enforcement will be proportionate and focused on serious misconduct rather than technical lapses.</p>	
172.	<p>Query Clause: 3.10, 3.11, 3.5, 9.1-9.3</p> <p>Extreme adverse Change in Law – review / safeguard mechanism</p> <ul style="list-style-type: none"> In the event of an extreme and adverse Change in Law (e.g., drastic new sector-specific taxes, licensing restrictions, export bans directly affecting NdFeB REPM manufacturing or sale), would the Government consider establishing a safeguard or formal review mechanism—possibly in consultation with stakeholders—to revisit Milestones, support measures or Scheme terms, notwithstanding the current “no adjustment” language of Clause 3.10? <p>Request: To understand if there is any policy space for mid-course correction if macro-regulatory conditions change dramatically.</p>	Provisions of the RFP shall prevail.
173.	<p>Query Clause: 3.10, 3.11, 3.5, 1.3.1</p> <p>Change in Law & severe impact; Force Majeure extension of milestones</p> <ul style="list-style-type: none"> Clause 3.10 places all Change-in-Law risk on the Beneficiary and does not permit any adjustment to Incentives, Milestones or Scheme Tenure, while Clause 3.11 addresses Force Majeure and major disruptive events. Given the long-term nature of the Project, will the Government consider (a) limiting full recovery of Incentives (with interest) and encashment of securities to cases of wilful default, fraud, or material misrepresentation, rather than any technical or minor breach exacerbated by Change in Law, and 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>(b) permitting extension of Milestone timelines where delay is demonstrably due to Force Majeure events or significant changes in geo-political landscape that materially affect construction or operation?</p> <p>Request: To seek risk-sharing comfort on unforeseen regulatory and geopolitical events and avoid disproportionate penalties where external factors contribute to non-compliance.</p>	
174.	<p>Query Clause: 3.11.1</p> <p>Query:</p> <ul style="list-style-type: none"> • It is requested to modify the following the sub-clause as below: <p>(e) an act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, riot, insurrection, terrorist or military action, civil commotion or politically motivated sabotage, sanctions, port closures, cyber-attacks, government-mandated closures, disruption of global supply chain/shipping routes or essential utility infrastructure or widespread disruption of transportation networks. Etc</p>	Provisions of the RFP shall prevail.
175.	<p>Query Clause: 3.11.2</p> <p>Kindly confirm the Force Majeure as per Clause 3.11.2 would cover:</p> <ul style="list-style-type: none"> • Cancellation/ Suspension of the Raw Material Supply arrangement as specified in the Technical Bid • Any reasons beyond the control of the Bidder by which the Technology Provider is unable to supply the Technology to the Beneficiary <p>Any major dumping of the Sintered NdFeB Magnets in India which would make the manufacturing unviable.</p>	Provisions of the RFP shall prevail.
176.	<p>Query Clause: 3.11.2</p> <p>Query:</p> <p>Kindly confirm the Force Majeure as per Clause 3.11.2 would cover:-</p> <ul style="list-style-type: none"> • Cancellation/ Suspension of the Raw Material Supply arrangement as specified in the Technical Bid 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<ul style="list-style-type: none"> • Any reasons beyond the control of the Bidder by which the Technology Provider is unable to supply the Technology to the Beneficiary <p>Any major dumping of the Sintered NdFeB Magnets in India which would make the manufacturing unviable.</p>	
177.	<p>Query Clause: 3.11.3: Query: Duty to report Force Majeure Event: (b) The Affected Party shall not be entitled to any relief for or in respect of a Force Majeure Event unless it shall have notified the other party (i.e., Beneficiary or Government, as applicable) of the occurrence of the Force Majeure Event as soon as reasonably practicable, and in any event no later than 7 (seven) days after the Affected Party knew, or ought reasonably to have known, of its occurrence, and shall have given particulars of the probable material effect that the Force Majeure Event is likely to have on the performance of its obligations under the RFP, LOI and/or LOA.</p> <ul style="list-style-type: none"> • Duty to report Force Majeure Event: (b) The Affected Party shall not be entitled to any relief for or in respect of a Force Majeure Event unless it shall have notified the other party (i.e., Beneficiary or Government, as applicable) of the occurrence of the Force Majeure Event as soon as reasonably practicable, and in any event no later than 14 (fourteen) days after the Affected Party knew, or ought reasonably to have known, of its occurrence, and shall have given particulars of the probable material effect that the Force Majeure Event is likely to have on the performance of its obligations under the RFP, LOI and/or LOA. 	Provisions of the RFP shall prevail.

S. No.	Query	Response
178.	<p>Query Clause: 3.11.4</p> <p>Query:</p> <p>Effect of Force Majeure Event:</p> <p>(b) At any time after the issuance of the LOA, if any Force Majeure Event occurs, the time periods for performance of the obligations so affected by the Force Majeure Event may be extended by a period, equal in length to the period during which the Beneficiary was prevented from performing its obligations.</p> <ul style="list-style-type: none"> • Effect of Force Majeure Event: <p>(b)At any time after the issuance of the LOA, if any Force Majeure Event occurs, the time periods for performance of the obligations so affected by the Force Majeure Event shall be extended by a period, equal in length to the period during which the Beneficiary was prevented from performing its obligations and additional time if it involves demobilisation/ remobilisation of resources.</p>	Provisions of the RFP shall prevail.
179.	<p>Query Clause: 3.11.5</p> <p>Query:</p> <ul style="list-style-type: none"> • It is requested to add the following Clause: <p>Effect of Force Majeure Event:</p> <p>(c) The Bidder shall be entitled to reimbursement of costs resulting from Government actions, where such actions constitute a Force Majeure event</p>	Provisions of the RFP shall prevail.
180.	<p>Query Clause: 3.13</p> <p>Query:</p> <p>It is requested that there should be provisions for dispute resolution through a judicial forum, whether by arbitration (as per 'the Arbitration & Conciliation Act 1996', and amendments thereof) or through the competent Courts at Delhi, India.</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
181.	<p>Query Clause: 4.1 Qualification Criteria under Technical Bid</p> <p>Synopsis of Query: Whether financial investors or strategic investors (vendors, technology partners, customers) may be inducted at the SPV level without constituting a Change in Ownership.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
182.	<p>Query Clause: 4.1 Qualification Criteria under Technical Bid</p> <p>4.1.1 A Bidder shall fulfil the minimum Net Worth criteria as specified under Clause 2.2.2 (Net Worth) in proportion to the capacity specified in its Technical Bid for the Financial Year preceding the date of submission of the Bid as per latest annual financial statements of the Bidder duly audited by the statutory auditor. The Bid must be accompanied by (i) the audited annual reports of the Bidder (or the Lead Member in case of a Consortium) or Associate (if applicable) for the Financial Year, preceding the year in which the Bid is made; and (ii) a certificate prepared according to the IFRS or GAAP or Ind AS from the statutory auditor specifying the Net Worth of the Bidder, as specified under Clause 2.2.3 (Net Worth Certificate).</p> <p>4.1.2 In case the annual accounts for the latest financial year are not audited and therefore the Bidder cannot make them available, the Bidder shall give an undertaking to this effect, and the statutory auditor shall certify the same. In such a case, the Bidder shall provide the audited annual accounts for the Financial Year immediately preceding the year for which the audited annual accounts are not being provided.</p> <p>4.1.3 The Bidder must establish the minimum Net Worth specified in Clause 2.2.2 (Net Worth) and 2.2.3(b) (Net Worth Certificate), and provide details as per the format at Annexure I (Net Worth Details) and Annexure II (Statement of Legal Capacity) of Appendix I (Letter Comprising the Bid), and Appendix V (Undertaking for Eligible Investment).</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>4.1.4 Only those Bidders who meet the qualification criteria specified under Clause 2.2.2 (Net Worth) and this Clause 4.1 (Technical Qualification), shall qualify for evaluation of their Technical Bid. Bids of entities / consortia who do not meet these criteria shall be rejected.</p> <ul style="list-style-type: none"> • Whether the Technical Bid evaluation is purely qualifying in nature (pass/fail basis) or whether the Technical Committee proposes to apply any internal scoring, benchmarking, or weighted evaluation parameters while assessing technical capability, technology readiness, integration of manufacturing processes, and project execution plans. • Whether the Technical Committee will assess the Technical Bid against any minimum qualitative or quantitative thresholds (such as technology maturity, prior manufacturing experience, integrated facility configuration, or execution readiness), and if so, whether such parameters will be shared with bidders in advance. • Whether presentations and/or clarifications sought by the Technical Committee form part of the technical evaluation outcome, and whether failure to satisfactorily address such clarifications could result in technical disqualification, notwithstanding compliance with threshold eligibility requirements. <p>Synopsis of Query: Whether the Technical Bid is evaluated on a pass/fail basis or through internal scoring or thresholds, and whether presentations or clarifications sought by the Technical Committee form part of the technical evaluation and may result in disqualification.</p>	
183.	<p>Query Clause: 4.1.5</p> <ul style="list-style-type: none"> • It is requested to clarify whether MHI will provide any facilitation or support to Beneficiaries for obtaining Environmental Clearances, industrial approvals, and other regulatory permissions required for setting up the manufacturing facility. <p>Justification: This clarification is critical due to the time-consuming and unpredictable nature of Environmental and statutory clearances which may directly impact Milestone timelines.</p>	The query does not pertain to the provisions of the RFP.

S. No.	Query	Response
184.	<p>Query Clause: 4.1.5</p> <p>Technology access and qualification: Limited global access to technology poses execution risks.</p> <p>Request:</p> <ul style="list-style-type: none"> • Enable technology partnerships without mandatory control dilution. <p>Consider support mechanisms for technology acquisition.</p>	<p>Provisions of the RFP shall prevail.</p>
185.	<p>Query Clause: 4.1.5, Annexure I to Appendix VI (DPR), 4.1.6 (TC scope):</p> <p>Evaluation of technological readiness and tech-partner role</p> <ul style="list-style-type: none"> • The DPR must detail technological readiness, including oxide-to-metal conversion, alloy preparation and powder production, magnet fabrication and sintering, and testing and characterisation, plus source of technology, ToT, and roadmap for acquisition, to be assessed by the Technical Committee (TC). Could the Government clarify the specific parameters and weightage that the TC will apply to evaluate (a) in-house technology versus (b) reliance on external technology partners, including how the technical and financial capability of such tech partners will be factored in for shortlisting under Clause 4.1.6? <p>Request: To understand what evidence and structuring is needed around technology partners to be viewed favourably in technical evaluation.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
186.	<p>Query Clause: 4.1.5</p> <p>Query:</p> <ul style="list-style-type: none"> • Clause 4.1.6(i) stipulates that DPR should mention information about the Technology Collaboration. <p>Can the bidder change his Technology Collaborator and revise the DPR, after bid submission?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
187.	<p>Query Clause: 4.1.5 (i):</p> <p>Query:</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<ul style="list-style-type: none"> • It is requested to clarify whether technological readiness may be demonstrated through access to foreign technology—by way of licensing agreements, technical know-how transfer, or a joint venture / strategic collaboration with an international technology provider—either as a standalone pathway or in combination with indigenous R&D and adaptation efforts, and shall be treated on an equal footing with indigenously developed technology for the purpose of technical qualification. • Further, given that integrated sintered NdFeB magnet manufacturing is a nascent and strategically sensitive domain in India, with several technical, commercial, and supply-chain parameters still evolving, it is requested that bidders be permitted to furnish indicative information at the bid stage, with granular disclosures such as technology partners, equipment OEMs, process flow sheets, among others, submitted progressively at a later stage. <p>Justification: Given the nascent stage of integrated NdFeB manufacturing in India, with no established commercial-scale precedent, access to proven foreign technology through collaboration or licensing is critical to meet the DPR requirements, and this would require substantially additional time</p>	
188.	<p>Query Clause: 4.1.5 (i), 4.1.6):</p> <p>Query:</p> <ul style="list-style-type: none"> • Please specify the minimum Technology Readiness Level (TRL)/ Technical benchmarks, and indicate the minimum threshold applicable for technical qualification, so that bidders can objectively assess their technology competence prior to Bid submission. <p>Justification: Defined technical benchmarks will provide clarity on what constitutes adequate technological readiness and will help in benchmarking the preparedness against the evaluation criteria.</p>	The relevant clauses of the RFP are self-explanatory.
189.	<p>Query Clause: 4.1.7</p> <p>Query:</p> <p>Will the Technical Committee share reasons for technical non-qualification?</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
190.	<p>Query Clause: 4.2 Bidding Process & Evaluation</p> <p>The Quoted Sales Incentive Rate indicated in the Financial Bid shall be deemed as final." "Bids will finally be ranked according to their lowest quote...</p> <p>Query:</p> <p>Regarding the financial evaluation methodology, kindly clarify whether safeguards exist against abnormally low bids that may impact actual project execution viability, and whether a normalization methodology shall apply in case of identical quoted rates beyond the current tie-breaker rules.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
191.	<p>Query (Clause: 4.2.1):</p> <p>Evaluation of Financial Bids: It is clarified that the Quoted Sales Incentive Rate, shall be subject to a ceiling of INR 2,150 (Indian Rupees Two Thousand One Hundred and Fifty) per kg of sintered NdFeB REPM. Any Bid that has a Quoted Sales Incentive Rate in excess of INR 2,150... shall be rejected.</p> <p>Query:</p> <p>A flat incentive rate per kilogram disproportionately benefits the production of average and large magnets while penalizing the production of tiny and small magnets (0.1 to 10 grams). Tiny magnets, heavily used in the electronics industry, require far more advanced, challenging, and expensive manufacturing techniques. We propose dividing the incentive into categories based on magnet size—retaining the INR 2,150/kg rate for Average and Big magnets, but allowing a higher ceiling (e.g., INR 6,000/kg) for Tiny and Small magnets to incentivize the domestic production of these high-value components.</p>	<p>Provisions of the RFP shall prevail.</p>
192.	<p>Query (Clause: 4.3.1):</p> <p>Final Evaluation: Out of Bidders who are technically qualified... five Bidders with the lowest Quoted Sales Incentive Rates, that is, L1, L2, L3, L4, and L5 will be eligible for allotment of capacity under the Scheme.</p> <p>Query:</p> <p>The L1 to L5 Bidding System Encourages Predatory Pricing</p>	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
	<p>Creating an upfront bidding system where companies compete on the lowest incentive rate favors deep-pocketed players that can afford predatory pricing to eliminate competition. We recommend removing the L1-L5 bidding system and instead providing fixed, guaranteed incentive rates based on different magnet weight categories for all manufacturers who meet the technical criteria, ensuring a widespread manufacturing ecosystem.</p>	
<p>193.</p>	<p>Query (Clause: 4.3.1): Final Evaluation: Out of Bidders who are technically qualified... five Bidders with the lowest Quoted Sales Incentive Rates, that is, L1, L2, L3, L4, and L5 will be eligible for allotment of capacity under the Scheme. Query: The L1 to L5 Bidding System Encourages Predatory Pricing Creating an upfront bidding system where companies compete on the lowest incentive rate favors deep-pocketed players that can afford predatory pricing to eliminate competition. We recommend removing the L1-L5 bidding system and instead providing fixed, guaranteed incentive rates based on different magnet weight categories for all manufacturers who meet the technical criteria, ensuring a widespread manufacturing ecosystem. If the above is not feasible, we kindly request you to consider increasing the number of qualifying bidders beyond the current limit of L1 - L5.</p>	<p>Provisions of the RFP shall prevail.</p>
<p>194.</p>	<p>Query (Clause: 15 (iv)): We would request clarification on the restrictions under Rule 144 (xi) of the General Finance Rules -2017. Query: Clause 15 (iv), reproduced below, empowers, the Ministry to waive the requirement of registration of a bidder. We propose to sign a TOT with an entity that is in a country with whom we share a land border. We would request clarification whether such a waiver would be given by the Ministry of Heavy Industries, or we have to apply to DPIT. We request that this may be done by the ministry in view of the importance. Clarification may kindly be given.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
195.	<p>Query Clause: Appendix I:</p> <p>Query:</p> <p>In the Appendix 1 i.e letter comprising the bid, point number 9 of page number 63 (relevant page attached), can we tweak the sentence if we are going with a technology partner who is participating in multiple consortia with shareholding less than 20% in each SPV?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
196.	<p>Query Clause: Point 22 of APPENDIX I "Letter Comprising the Bid"</p> <p>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, or in connection with the selection/ Bidding Process itself, in respect of the above-mentioned Project and the terms and implementation thereof.</p> <p>Query:</p> <ul style="list-style-type: none"> • This will lead to violation of law under; <ol style="list-style-type: none"> 1. Indian Contract Act, 1872, and 2. Specific Relief Act, 1963 <p>We request to delete this coercive provision.</p>	<p>Provisions of the RFP shall prevail.</p>
197.	<p>Query: Annexure I</p> <p>Detailed Project Report of Chapter -3 Proposed Project Location</p> <p>Is there any recommended/specific location for the establishment of the manufacturing plant or can the bidder keep any place where he wants. We request you to review and confirm</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
198.	<p>Query Clause: Point 6 of ANNEXURE I "Particulars of the Bidder"</p> <p>The following information shall also be provided for the Bidder, including each Member of the Consortium:</p> <ol style="list-style-type: none"> 1. Has the Bidder/ constituent of the Consortium been barred by the Central/ State Government, or any entity controlled by it, from participating in any project? 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>2. If the answer to 1 is yes, does the bar subsist as on the date of Bid?</p> <p>Query:</p> <p>We understand that details are to be provided for projects executed in the previous Financial Year i.e. FY 25-26 only.</p>	
199.	<p>Query Clause: Point 7 of ANNEXURE I "Particulars of the Bidder"</p> <p>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:</p> <p>We understand past projects (in recent past) means projects executed in Past Financial Year i.e. FY 25-26, with Employers only who are CPSE, CPSU or any agency under administrative control of Govt. of India</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
200.	<p>Query Clause: Annexure 1- Chapter-8</p> <p>Query:</p> <p>There are established REPM technology providers who had their Technology, Pilot plant, Technology specific equipment historically used for successful REPM manufacturing, yet due to extreme Chinese price pressure those units are forced to stop. We would like to know, whether a reference letter or historical data can be produced to support such Technology uses by the bidder?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
201.	<p>Query Clause: Appendix VI (Annexure-I – Detailed Project Report) & Clause 4.1</p> <p>Query: Technical Bid Evaluation Methodology</p> <p>Based on the RFP and Appendix VI (Technical Bid format), it is understood that the Technical Bid primarily captures details related to the proposed project, including capacity, process, infrastructure, and implementation plan. However, the RFP does not explicitly specify whether the Technical Evaluation will involve any quantitative scoring, weightage-based assessment, or ranking methodology, or whether it will be assessed purely on a pass/fail basis against minimum qualification criteria.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>In the absence of a clearly defined evaluation framework, there may be ambiguity regarding how qualitative aspects such as technology robustness, level of integration, R&D capability, and execution readiness will be assessed.</p> <p>Suggested Clarification: It is requested to clarify:</p> <ul style="list-style-type: none"> • Whether the Technical Bid evaluation will be purely qualification-based (pass/fail) or involve any quantitative scoring/weightage system; • If a scoring methodology is envisaged, kindly provide detailed evaluation criteria, weightages, and minimum qualifying marks; <p>Whether qualitative aspects such as technology maturity, level of backward integration, R&D capabilities, and implementation readiness will be considered in evaluation.</p>	
<p>202.</p>	<p>Query Clause: Annexure I to Appendix XVI Query: Raw Material Price Is there any “price indexation mechanism” or “ceiling price” built into IREL’s pricing methodology over the Scheme Tenure?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
<p>203.</p>	<p>Query Clause: Annexure-1 of Appendix XVI: Query: Pricing Mechanism The pricing mechanism is stated to be benchmarked against the average domestic prices of a “major supplying country” for the period from the 26th of the previous month to the 25th of the current month. However, the methodology lacks clarity and objectivity, particularly in the context of highly volatile global rare earth markets. In this regard, the following clarifications are requested:</p> <ul style="list-style-type: none"> • Which specific country is being referred to as the “major supplying country”? 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<ul style="list-style-type: none"> • Whether the pricing mechanism is index-linked or market-linked? If so, kindly specify the exact benchmark/index (including the source/website) to be followed for price determination. • The detailed formula/methodology for calculation of average price, including treatment of exchange rate variations, duties, and logistics. • Whether any price stabilization mechanism or ceiling/floor pricing is envisaged to mitigate extreme volatility. <p>Suggested Clarification: Given the significant volatility currently observed in NdPr oxide pricing from global suppliers, the absence of a clearly defined and predictable pricing mechanism poses substantial financial and contractual risk to bidders.</p> <p>To ensure a level playing field and enable accurate financial modelling, it is requested that:</p> <ul style="list-style-type: none"> • IREL may consider providing a defined and transparent pricing framework, preferably with a fixed or semi-fixed price mechanism (with limited escalation bands) for supply to selected bidders (L1, L2, L3, etc.); or <p>Alternatively, a clearly defined index-linked pricing formula with caps/floors may be introduced.</p>	
204.	<p>Alternative Technologies</p> <p>Can newer technologies or alternative technologies be used instead of NdFeb ?</p>	Provisions of the RFP shall prevail.
205.	<p>Request for bid submission Timeline Extension</p> <p>Request extension of bid submission timeline by 120 days in order to complete due diligence of supply chain for Rare Earth Material</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
206.	<p>Eligibility and Qualification</p> <p>Query: Associate net worth credit: Where an Associate's Net Worth is used to meet the threshold, must the Associate remain linked throughout the 7-year Scheme Tenure? What triggers 'Change in Ownership' risk for Associate linkage?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
207.	<p>Eligibility and Qualification</p> <p>Query: Foreign Bidder SPV Timeline: A foreign bidder must form an Indian SPV. Can the SPV be incorporated after LOI issuance (i.e., before LOA) or must it exist before Bid submission?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
208.	<p>Eligibility and Qualification</p> <p>Query: Consortium Lead Member Change: If the Lead Member undergoes a restructuring post LOA (e.g., merger), what is the process to notify and get Government approval without triggering Change in Ownership provisions?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
209.	<p>Eligibility and Qualification</p> <p>Query: GFR Order - Technology Partners: If a bidder sources technology from a company in a border country (e.g., China) via a ToT agreement, does that technology partner itself need Competent Authority registration, or only the bidder?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
210.	<p>Technical Requirements & Manufacturing</p> <p>Query: Integrated Facility Definition: Can the oxide to metal and alloy to magnet processes be in geographically separate locations (both owned by the Beneficiary)? The RFP says 'one or more locations does this satisfy the integrated facility requirement?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
211.	<p>Technical Requirements & Manufacturing</p> <p>Query:</p> <p>Technology Readiness Proof: For bidders without an executed ToT agreement, what is the minimum acceptable evidence of other access to technology? Will a signed MoU (not a binding ToT) with a technology partner suffice?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
212.	<p>Technical Requirements & Manufacturing</p> <p>Query:</p> <p>Intermediate Product Sales: During the ramp up phase, can the Beneficiary sell intermediate materials (e.g., NdFeB alloy) before full magnet production commences? Will such sales count for Sales Incentive calculation?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
213.	<p>Technical Requirements & Manufacturing</p> <p>Query:</p> <p>Existing Facility Credit: If a bidder has an existing partial facility (e.g., alloy to magnet only), can they claim that capacity as part of Committed Capacity, or must all capacity be newly established under the Scheme?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
214.	<p>Technical Requirements & Manufacturing</p> <p>Query:</p> <p>Quality / Product Specification: Are there defined product specifications, that the sintered NdFeB REPM must meet to qualify for Sales Incentive? Or does any commercially produced sintered NdFeB magnet qualify?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
215.	<p>Milestone Verification & Incentive Disbursement</p> <p>Query:</p> <p>Eligible Investment Scope: Does 'plant, machinery and equipment' include civil construction works (factory building, foundry structure)? Are land acquisition costs eligible?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
216.	<p>Milestone Verification & Incentive Disbursement</p> <p>Query:</p> <p>Capex from April 2025: The Scheme covers eligible investment from 1 April 2025. For bidders that have already incurred capex between April 2025 and Bid Due Date (May 2026), how will pre-LOA investments be verified and counted toward Milestone 1 & 2?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
217.	<p>Milestone Verification & Incentive Disbursement</p> <p>Query:</p> <p>Milestone 3 - 50% Capacity: Does 50% of Allocated Capacity mean 50% of Committed Capacity or 50% of Allocated Capacity (as per LOA)? What is the production threshold to prove 'commercial production has commenced'?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
218.	<p>Milestone Verification & Incentive Disbursement</p> <p>Query:</p> <p>Independent Engineer Appointment: Will a single IE be appointed across all beneficiaries, or one per beneficiary? What is the IE's estimated timeline and is there a cap on IE fees charged to the beneficiary?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
219.	<p>Milestone Verification & Incentive Disbursement</p> <p>Query:</p> <p>Sales Incentive - Import Input: If NdPr oxide is sourced from a non IREL, international supplier (e.g., from Australia, Japan, China etc), does the same Sales Incentive Rate apply? The RFP states it is "agnostic to source" please confirm?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
220.	<p>Milestone Verification & Incentive Disbursement</p> <p>Query:</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>40% Net Sales Cap: The Sales Incentive cannot exceed 40% of net sales turnover. If the magnet market price drops significantly in years 4 to 5, will the cap be calculated on actual realised price or on a benchmark price?</p>	
221.	<p>Raw Material - IREL Supply Query: IREL Pricing Mechanism: The pricing methodology is in Annexure I to Appendix XVI. Is this a fixed price, cost-plus, or market linked formula? Will it be negotiated or is it non-negotiable for all beneficiaries?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
222.	<p>Raw Material - IREL Supply Query: IREL Supply Assurance: The RFP explicitly states the Government is not liable for IREL's supply obligations. If IREL fails to deliver committed NdPr oxide, will the Government grant a Force Majeure equivalent milestone extension?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
223.	<p>Raw Material - IREL Supply Query: Allocation for Partial Capacity: The table shows L1 gets 200 MTPA oxide (supporting upto 600 MT magnets). If L1 is awarded 1,200 MTPA capacity, the IREL supply covers only 50% of needs. Is there any mechanism to access residual IREL stock?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
224.	<p>Raw Material - IREL Supply Query: Third Party Oxide Import Duty: What is the applicable customs duty on imported NdPr oxide? Has the Government considered a duty concession or exemption for project beneficiaries to ensure cost competitiveness?</p>	<p>The query does not pertain to the provisions of the RFP.</p>

S. No.	Query	Response
225.	<p>Legal, Governance & Risk</p> <p>Query:</p> <p>Change in Law Protection: The RFP explicitly excludes Change in Law compensation. However, if a future policy (e.g. export restriction on REOs or new domestic content requirement) materially impacts feasibility, is there any recourse?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
226.	<p>Legal, Governance & Risk</p> <p>Query:</p> <p>Termination & Recovery: If the Government terminates the LOA and recovers disbursed incentives with MCLR interest, is the liability capped at the Performance Security amount, or is the full disbursed incentive recoverable?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
227.	<p>Legal, Governance & Risk</p> <p>Query:</p> <p>Force Majeure - Pandemic / Geopolitical: Is a global supply chain disruption (e.g, export ban by a rare earth producing country) classified as a Force Majeure Event? How does the Government propose to treat this for milestone relief?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
228.	<p>Legal, Governance & Risk</p> <p>Query:</p> <p>Arbitration Jurisdiction: Disputes are governed by Indian law with courts in New Delhi having exclusive jurisdiction. For a foreign bidder's SPV, will international arbitration be available as an alternative dispute resolution mechanism?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
229.	<p>Legal, Governance & Risk</p> <p>Query:</p>	<p>The query does not pertain to the provisions of the RFP.</p>

S. No.	Query	Response
	<p>Integrity Pact: The Integrity Pact (Appendix XII) requires appointment of an Independent External Monitor. Who appoints this monitor and who bears the cost? What is the process if a complaint is raised mid scheme?</p>	
230.	<p>Process & Documentation Query: Financial Bid Secrecy: The RFP uses a two-envelope system. At what point is the Financial Bid (Quoted Sales Incentive Rate) opened and made public? Is there a discovery mechanism where bidders can match the L1 rate?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
231.	<p>Process & Documentation Query: DPR Depth & Format: Is there a prescribed page limit or format for the Detailed Project Report (Appendix VI, Annexure I)? What level of capex detail is required in Chapter 5, line item or aggregate by category?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
232.	<p>Process & Documentation Query: Bid Validity Extension: Bid validity is 365 days (until 27 May 2027). If Government evaluation is delayed beyond this date, what is the process for extending validity and does the bidder's financial bid remain binding?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
233.	<p>Process & Documentation Query: Multiple Site Applications: If a bidder proposes multiple manufacturing locations across states, must they submit a single integrated DPR, or can they submit separate technical plans for each site?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
234.	<p>Process & Documentation</p> <p>Query:</p> <p>Online Submission Technical Issues: Given the mandatory use of CPP Portal (eprocure.gov.in), what is the official process to seek relief if a bidder faces portal downtime or technical failure on the Bid Due Date?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
235.	<p>Others</p> <p>Query:</p> <p>Policy Clarity & Government Support</p> <p>Will the Government act as an anchor buyer (defence, EV, wind, railways)?</p>	<p>The query does not pertain to the provisions of the RFP.</p>
236.	<p>Others</p> <p>Query:</p> <p>Policy Clarity & Government Support</p> <p>Is there any minimum offtake guarantee or demand aggregation mechanism?</p>	<p>The query does not pertain to the provisions of the RFP.</p>
237.	<p>Others</p> <p>Query:</p> <p>Policy Clarity & Government Support</p> <p>Are long-term purchase agreements (LTAs) planned for domestic producers?</p>	<p>The query does not pertain to the provisions of the RFP.</p>
238.	<p>Others</p> <p>Query:</p> <p>Policy Clarity & Government Support</p> <p>Incentive - production driven methods rather sales</p>	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
239.	<p>Others</p> <p>Query:</p> <p>Raw Material (RM) Availability</p> <p>What is the assured supply mechanism for rare earth oxides (Nd, Pr, Dy, Tb)?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
240.	<p>Others</p> <p>Query:</p> <p>Raw Material (RM) Availability</p> <p>What happens in case of domestic RM shortage? - Import permitted, country specific</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
241.	<p>Others</p> <p>Query:</p> <p>Raw Material (RM) Availability</p> <p>Will there be price stabilization support for volatile RE oxides?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
242.	<p>Others</p> <p>Query:</p> <p>Import Policy & Protection</p> <p>Will there be import duty protection on finished magnets?</p>	<p>The query does not pertain to the provisions of the RFP.</p>
243.	<p>Others</p> <p>Query:</p> <p>Import Policy & Protection</p> <p>Any anti-dumping duties / safeguards planned against China? Or other countries</p>	<p>The query does not pertain to the provisions of the RFP.</p>

S. No.	Query	Response
244.	<p>Others</p> <p>Query:</p> <p>Import Policy & Protection</p> <p>Will duty-free import of raw materials and intermediates be allowed?</p>	<p>The query does not pertain to the provisions of the RFP.</p>
245.	<p>Others</p> <p>Query:</p> <p>Import Policy & Protection</p> <p>Are there plans for PLI-like incentives tied to import substitution?</p>	<p>The query does not pertain to the provisions of the RFP.</p>
246.	<p>Others</p> <p>Query:</p> <p>Technology & Know-How</p> <p>Is there any other incentive for R&D that covers entire eco-system under this scheme</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
247.	<p>Others</p> <p>Query:</p> <p>Product Scope & Grades</p> <p>The sales incentive covers all magnet grades (e.g., N35–N52, high-temp grades)?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
248.	<p>Others</p> <p>Query:</p> <p>Product Scope & Grades</p> <p>Are value-added magnets (coated, assembled, motor-ready) included in the incentive matrix.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
249.	<p>Others</p> <p>Query:</p> <p>Product Scope & Grades</p> <p>Will incentives vary based on grade/technology complexity?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
250.	<p>Others</p> <p>Query:</p> <p>Market & Pricing</p> <p>What is the benchmark pricing mechanism for incentive calculation?</p>	<p>The query does not pertain to the provisions of the RFP.</p>
251.	<p>Others</p> <p>Query:</p> <p>Market & Pricing</p> <p>Any guidance on expected domestic demand projections (EV, wind, electronics)?</p>	<p>The query does not pertain to the provisions of the RFP.</p>
252.	<p>Others</p> <p>Query:</p> <p>Market & Pricing</p> <p>How will price volatility of magnets be handled in incentive calculation?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
253.	<p>Others</p> <p>Query:</p> <p>Competition & Eligibility</p> <ul style="list-style-type: none"> • Will there be a cap on number of players selected? • Is there a minimum committed capacity requirement to qualify? <p>How will new entrant's vs experienced players be evaluated?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
254.	<p>Others</p> <p>Query:</p> <p>Infrastructure & Ecosystem</p> <ul style="list-style-type: none"> • Will there be cluster-based development (like RE parks)? • Any support for utilities (various govt. permits or licences, power, gas, water, waste handling)? <p>Will Government assist in hazardous waste disposal / compliance?</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
255.	<p>Others</p> <p>Query:</p> <p>Financial & Timeline</p> <ul style="list-style-type: none"> • Considering first-of-its-kind nature, can the bid submission deadline be extended? <p>Is there flexibility in phased capacity build-up?</p>	<p>Provisions of the RFP shall prevail.</p>
256.	<p>Others</p> <p>Query:</p> <p>Risk Mitigation measures by govt.</p> <ul style="list-style-type: none"> • Technology failure risk, Upgradation • RM supply disruption • Market demand uncertainty <p>Will there be any viability gap funding (VGF)?</p>	<p>The query does not pertain to the provisions of the RFP.</p>
257.	<p>Others</p> <p>Query:</p> <p>Compliance & Approvals</p> <ul style="list-style-type: none"> • Will there be single-window clearance for environmental or other all related department approvals? 	<p>The query does not pertain to the provisions of the RFP.</p>

S. No.	Query	Response
	Any fast-track mechanism for land, pollution, and safety approvals?	
258.	<p>Others Query: Miscellaneous</p> <ul style="list-style-type: none"> • Will foreign investment (FDI) be permitted without restriction? <p>Any export incentives planned for global competitiveness?</p>	The relevant clauses of the RFP are self-explanatory.
259.	<p>Query: Can a company having magnet technology simultaneously form consortium and SPVs with multiple bidders for participating in the Permanent Magnet RFP without infringing the Conflict-of-Interest clause of the REPM RFP? If yes, kindly clarify under what terms and conditions it can be done?</p>	The relevant clauses of the RFP are self-explanatory.
260.	<p>Query: Please consider a scenario where three companies, namely A, B and C, are looking to participate in the Permanent Magnet RFP of MHI. Each of them wants to form a consortium and SPV with company D which has magnet technology. Can company D form consortium and SPVs with each of A, B and C for participation in RFP if D has less than 20% partnership in the SPVs of each of A, B, and C? Kindly clarify if this scenario is valid without infringing the Conflict-of-Interest clause of the REPM RFP.</p>	The relevant clauses of the RFP are self-explanatory.
261.	Please confirm if the Associate can be either an Individual, HUF, Private Trust, Partnership, LLP, Private Limited Company or a Public Limited Company?	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
262.	Please confirm if say the Networth of the Bidder is Rs.10 crores and the Networth of its Associate is say Rs.200 crores, then the Networth Criteria for 600 mtpa capacity would be duly met considering Networth of the Associate is more than Rs.180 crores.	The relevant clauses of the RFP are self-explanatory.
263.	In case the Bidder/ Lead Member and all other members of the Consortium are Indian entities, the Stamp Paper of Rs.500/- can be used for Appendix II, III and X.	Stamp duty requirements are governed by the Indian Stamp Act and applicable State stamp laws. Bidders should ensure compliance with applicable stamp duty requirements.
264.	The formats mentioned under Appendix IV and XIV would be reviewed by our Bank and can be altered as per their requirements after confirmation from IFCI Ltd.	Provisions of the RFP shall prevail.
265.	<p>We Megha Engineering & Infrastructures limited, an EPC company based in Hyderabad, and executing multiple projects in India and abroad in all fields of engineering and have many manufacturing facilities under our company as a backward integration for our projects.</p> <p>We are very much interested in participating in the above-mentioned tender and in this connection, We are submitting some queries for your consideration and clarification as follows:</p> <p>Thank you and always assuring you of our best services, we remain,</p> <p>For Megha Engineering and Infrastructures Ltd.,</p> <p>Query: Annexure-I</p> <p>Pricing Methodology for supply of NdPr Oxide by IREL</p> <p>It is mentioned that NdPr oxide will be supplied by the department the allocated bidders in partial quantity to L1, L2 & L3 bidders respectively.</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<ul style="list-style-type: none"> We understand from the following tender clause that NdPr Oxide will be supplied by IREL against payment by the allocated bidder where in the price benchmark has been taken from the major supplying country. Please confirm. <p>"The price of Nd-Pr oxide for next month to be benchmarked on the basis of its Average domestic prices of major supplying Country for the period from 26th of pervious month to 25th of current month"</p> <ul style="list-style-type: none"> Further, the IREL will supply the NdPr Oxide to the allocated bidder for next five years based on the price benchmarked on the Average domestic prices of major supplying Country. As the market is volatile, the price of the NdPr Oxide will keep fluctuating. This will impact on our quoted incentive disbursement. In this regard, we request you to provide NdPr Oxide at a lower price of the rates as on the date 28 days before day of submission of bid or as on the day of supply. This will facilitate the bidder to offset the risk of increase in the prices while quoting the incentive for one kg of magnet. <p>We request you to review and confirm.</p>	
266.	<p>We sincerely thank you for organizing the pre-bid conference. The session addressed a significant number of our queries; however, in light of the discussions, a few additional questions remain unresolved. These have been compiled and are attached herewith for your detailed clarification. We would like to submit that this project is highly specialized in nature, and the availability of indigenous technology is currently limited.</p> <p>Query:</p> <p>The process of technology transfer, agreements with the technology and equipment providers and alignment requires additional time. In view of this, we kindly request an extension of the bid submission deadline by a period of two months.</p>	Provisions of the RFP shall prevail.
267.	<p>Query:</p> <p>The proposed investment in the new entity, specifically formed for undertaking this project will be more than Rs. 190 crore. Since the project is already in the work in progress stage, the share capital of the entity is being increased as per the requirement. Can it be said that since the ultimate project size will exceed Rs.</p>	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>190 crore, the net worth eligibility criteria mentioned in the RFP, is achieved? Promoters are prepared to provide an undertaking along with detailed project cost calculations, to prove that the project cost is in excess of Rs. 190 crores. Given that all new companies are entering this business, this criterion should be relaxed.</p>	
268.	<p>Query: The net worth of the individual shareholders along with the net worth of the subsidiaries, can collectively help achieve the net worth target proposed in the RFP. Will it be considered valid in technical evaluation.</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
269.	<p>Query: <ul style="list-style-type: none"> • Our understanding is that a project investment cannot avail subsidies under two Central schemes. Please confirm. </p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
270.	<p>Query: <ul style="list-style-type: none"> • Whether Performance Bank guarantee of Rs.40 Crores can be returned in phases based on successful achievement of milestones. </p>	<p>Provisions of the RFP shall prevail.</p>
271.	<p>Query: <ul style="list-style-type: none"> • If we are submitting a bid on our own, can we provide technology to other bidders. </p>	<p>The relevant clauses of the RFP are self-explanatory.</p>
272.	<p>Query: Currency fluctuation risk: INR depreciation significantly impacts imported inputs (primarily RE Oxide and HRE) and capital expenditure. At the time of designing the framework, the exchange rate was approximately ₹80/USD, which has since depreciated to around ₹94/USD. Request: <ul style="list-style-type: none"> • Provide a forex-linked adjustment mechanism. </p>	<p>Provisions of the RFP shall prevail.</p>

S. No.	Query	Response
273.	<p>Query:</p> <p>Raw material price distortion: Global pricing of oxide-to-metal conversion is distorted and non-remunerative. Index prices indicate metal pricing at approximately 1.2 times oxide prices, whereas the stoichiometric requirement itself is approximately 1.25 times oxide input. Additional costs such as consumables, labor, power, and finance are not adequately covered. The very purpose of request for incentive was on this entry barrier. However, GoI opined to incentivise upon entire supply chain established domestically. Thus, the incentive is moved to Magnet manufacturer rather than metal manufacturer, which dissolves the very purpose of incentive requirement.</p> <p>Request:</p> <ul style="list-style-type: none"> • Recognize this constraint and provide support mechanisms for upstream viability, including appropriate distribution of incentives across the value chain. 	Provisions of the RFP shall prevail.
274.	<p>Query:</p> <p>Considering the complexity of the requirements and the importance of ensuring high-quality submissions, we would like to request an extension of the bid submission deadline under the REPM scheme. Additional time would allow industry participants to align their proposals more effectively with the scheme objectives, thereby contributing to its overall success.</p>	Provisions of the RFP shall prevail.
275.	<p>Query:</p> <p>Warm wishes from The Kerala Minerals and Metals Limited (KMML)</p> <p>The Kerala Minerals and Metals Ltd., A Govt of Kerala undertaking company is in the field of beach sand minerals mining and its separation, value addition of ilmenite into Titanium di oxide pigment for last 5 decades. Its INR 1000 Cr turnover company and having employment of around 3000. Also, KMML is proud to inform you that, through KMML, our nation become the 7th country in the world (in the year 2010) to manufacture Titanium Sponge with technology support from DMRL and funded by ISRO in order to meet defense/ ISRO requirements.</p>	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>Also, the Govt of Kerala already declared a Kerala State Critical Minerals and Materials Mission in Feb,2026 and KMML has been identified as main contributor for the mission. KMML already identified the technology partners for developing the pilot technology for monazite cracking to produce REOs and we are in the final stage of finalizing the MoU with the selected party. You may kindly note that, KMML is having around 1.5 lakh MT of monazite tailings in stock as per the AERB guidelines, which is the main feedstock for production of REOs.</p> <p>In the above circumstances, KMML excited to see the RFP for manufacturing sintered REPM and KMML is having more interest to submit the offer. As KMML being the PSU and we need to fulfill certain administrative formalities, the due date may please be extended upto 15.07.2026 and exemption may please be granted for submission of EMD and performance guarantee.</p>	
276.	<p>Query:</p> <ul style="list-style-type: none"> Further, we also request you to provide clarifications on the number of Associates that one applicant can have and kindly confirm the supporting documentation and authentication requirements, for submission to the Ministry as a part of the application. 	The relevant clauses of the RFP are self-explanatory.
277.	<p>Query:</p> <ul style="list-style-type: none"> It is requested to include a voluntary exit provision for a Beneficiary post issuance of LOA who has not availed any capital-subsidy and sales-incentive without the appropriation of Performance Security in such cases. Please specify the lock-in conditions and period, if any. <p>Justification: Given the 7-year Scheme tenure, clarity on voluntary exit provisions and associated consequences is essential for risk assessment.</p>	Provisions of the RFP shall prevail.
278.	<p>Query: RFP Schedule</p> <ul style="list-style-type: none"> It is requested that MHI consider extending the bid submission deadline by at least 6 weeks from the current stipulated date (28.05.2026). 	Provisions of the RFP shall prevail.

S. No.	Query	Response
	<p>Justification: Adequate time for due diligence is critical to submit technically sound and financially viable bid. Given the technical complexity and capital-intensive nature of setting up an integrated Sintered NdFeB REPM manufacturing facility, adequate time is required to conduct thorough technical, financial, commercial, and legal due diligence, prepare a credible Detailed Project Report (DPR), assess technology partnerships, evaluate equipment sourcing strategies, and develop robust financial models.</p> <p>The current timeline may not provide sufficient time for serious investors to prepare a well-considered and bankable bid.</p>	
279.	<p>Query: Definition of Associate</p> <ul style="list-style-type: none"> • Please confirm if an "Associate" can be any of the following legal forms: Individual, HUF, Private Trust, Partnership, LLP, Private Limited Company, or Public Limited Company. 	The relevant clauses of the RFP are self-explanatory.
280.	<p>Query: Associate Reliance</p> <ul style="list-style-type: none"> • Please confirm that if a Bidder has a Net Worth of ₹10 Cr and its Associate has ₹200 Cr, the criteria for 600 MTPA is satisfied (p. 21). 	The relevant clauses of the RFP are self-explanatory.
281.	<p>Query:</p> <ul style="list-style-type: none"> • Are the Sales Incentives (p. 15) applicable to exports of sintered NdFeB magnets, or only to sales within the Indian domestic market? 	The relevant clauses of the RFP are self-explanatory.
282.	<p>Query:</p> <ul style="list-style-type: none"> • Is the pricing methodology for IREL's NdPr oxide supply fixed for the entire 5-year incentive period, or is it linked to international market indices? 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
283.	<p>Query:</p> <ul style="list-style-type: none"> In case the Bidder/ Lead Member and all other members of the Consortium are Indian entities, the Stamp Paper of Rs.500/- can be used for Appendix II, III and X. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
284.	<p>Query:</p> <ul style="list-style-type: none"> The formats mentioned under Appendix IV and XIV would be reviewed by our Bank and can be altered as per their requirements after confirmation from IFCI Ltd. 	<p>Provisions of the RFP shall prevail.</p>
285.	<p>Query:</p> <ul style="list-style-type: none"> Please confirm that we are free to set up our sintered manufacturing capacity from NdPr metal onwards and are not obligated to set up the electrolysis facility of manufacturing NdPr metal from NdPr Oxide. If we do not set-up metal-making facility but are entitled to an allocation from IREL in terms of the RFP, we are free to convert oxide to metal from an external party (which may or may not be part of our consortium). 	<p>The relevant clauses of the RFP are self-explanatory.</p>
286.	<p>Query:</p> <p>In case of SPV consortium:</p> <ul style="list-style-type: none"> Will it lead to non-compliance of scheme guidelines if internal shareholding pattern of the Lead applicant changes without affecting 51% equity in SPV. <p>Example:</p> <ul style="list-style-type: none"> ➤ At the time of Bidding, Company A (Lead applicant) has the equity of 51% in the SPV. ➤ Company A comprises of its internal shareholding (51% by company? x?, 30% by company ?y? 19% by company? z?). ➤ During scheme tenure, internal shareholding of Company A changes such that 30% by company? x? 51% by company? y? and 19% by company ?z? 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<ul style="list-style-type: none"> ➤ However, Company A maintains its 51% equity in the SPV. • Does this in any way lead to non-compliance of scheme guidelines or breach of the LOI or LOA guidelines as mentioned in the scheme? 	
287.	<p>Query:</p> <ul style="list-style-type: none"> • Will it lead to non-compliance of scheme guidelines if members other than Lead applicant in consortium which comprise of 49% equity in the SPV change their equity %age within 49% during scheme tenure. <p>Example:</p> <ul style="list-style-type: none"> ➤ At the time of Bidding, Company A (Lead applicant) has 51% equity, Company B has 21% equity, Company C has 15% equity and Company D has 13% equity. ➤ During Scheme tenure, Company A (Lead applicant) has 51% equity, Company B has 21% equity, Company C change equity from 15% to 10% equity and Company D change equity from 13% to 18%. • Does this in any way lead to non-compliance of scheme guidelines or breach of the LOI or LOA guidelines as mentioned in the scheme? 	The relevant clauses of the RFP are self-explanatory.
288.	<p>Query: Change in Composition of Consortium and Change in Ownership.</p> <ul style="list-style-type: none"> • Whether the term ‘control’ and the Change in Ownership clause under the Scheme are interpreted only at the SPV level (i.e. qua the shareholder of the SPV and the SPV), or whether the assessment extends one or more levels above, including the Lead Member, ultimate holding company and/or PE Funds, and accordingly, how the Change in Ownership clause will be interpreted and applied under the Scheme, including whether a change in control at any such upstream level would constitute a Change in Ownership of the Beneficiary. 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
289.	<p>Query: Change in Composition of Consortium and Change in Ownership.</p> <ul style="list-style-type: none"> In case the ultimate holding company is a listed Company, whether any change in the ownership of the ultimate holding company will have any impact under this Scheme and if yes, please clarify which restrictions etc. will be applicable? 	<p>The relevant clauses of the RFP are self-explanatory.</p>
290.	<p>Query: Change in Composition of Consortium and Change in Ownership.</p> <ul style="list-style-type: none"> The Policy States that the term control will be interpreted in reference to SEBI takeover code, and thus, may we request you to please clarify whether the same will be applied to non-listed immediate shareholders, ultimate holding company and how the same will work under the Scheme. Please clarify the same with example. Whether reference to the 'Code' is intended to strictly apply the principles of control under the SEBI Takeover Code or is only illustrative, given that strict application may trigger breaches even in minority investor protection scenarios. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
291.	<p>Query: Change in Composition of Consortium and Change in Ownership.</p> <ul style="list-style-type: none"> Whether a Lead Member of Consortium can reduce its ownership from 80% (at the time of Bidding) to 51% post incorporation of the SPV without losing any benefits, incentives, rights, privileges etc. under the Scheme? 	<p>The relevant clauses of the RFP are self-explanatory.</p>
292.	<p>Query: Change in Composition of Consortium and Change in Ownership.</p> <ul style="list-style-type: none"> Can a Lead Member in the Consortium be permitted to change its holding in the Consortium post submission of Bid but before the Bid Opening date (subject to retaining more than 51% shareholding) without any restriction under the Scheme? 	<p>The relevant clauses of the RFP are self-explanatory.</p>
293.	<p>Query: Change in Composition of Consortium and Change in Ownership.</p> <ul style="list-style-type: none"> Can a Lead Member in the Consortium be permitted to change its shareholding in the Consortium post Bid Opening date but prior to Award or LOI subject to retaining more than 51% shareholding without any restriction under the Scheme? 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
294.	<p>Query: Change in Composition of Consortium and Change in Ownership.</p> <ul style="list-style-type: none"> Can a Lead Member in the Consortium be permitted to change its shareholding in the Consortium post submission of the Bid but before the Bid Opening date, subject to retaining more than 51% shareholding? 	<p>The relevant clauses of the RFP are self-explanatory.</p>
295.	<p>Query: Change in Composition of Consortium and Change in Ownership.</p> <ul style="list-style-type: none"> Can a Lead Member in the Consortium be permitted to change its shareholding in the Consortium post LOI but before execution of LOA, subject to retaining more than 51% shareholding? 	<p>The relevant clauses of the RFP are self-explanatory.</p>
296.	<p>Query: Change in Composition of Consortium and Change in Ownership</p> <ul style="list-style-type: none"> Can a Lead Member in the Consortium be permitted to change its shareholding in the Consortium post LOA, date subject to retaining more than 51% shareholding? 	<p>The relevant clauses of the RFP are self-explanatory.</p>
297.	<p>Query: Change in Composition of Consortium and Change in Ownership</p> <ul style="list-style-type: none"> Whether any change in the composition of the Consortium is permissible after submission of the Bid, including addition, substitution, or exit of a Consortium Member (without any change in the Lead Member), and whether any change in the shareholders of “Members of Consortium” (other than the Lead Member) is freely permitted under the Scheme or is subject to any restriction. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
298.	<p>Query: Change in Composition of Consortium and Change in Ownership.</p> <ul style="list-style-type: none"> Whether the addition of new partners is possible in the Consortium (with no change in lead member) and if yes, whether the same can be introduced post bid submission, post Bid Award, LOI, LOA or later on and if any restriction is there, please clarify the same restriction and at which point the same will be applicable. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
299.	<p>Query: Change in Composition of Consortium and Change in Ownership</p> <ul style="list-style-type: none"> Whether the term ‘control’ is interpreted only at the SPV level (i.e. qua the shareholder of SPV and SPV) or the change in control will be checked till the ultimate holding company/ PE Funds etc., and whether a change in control at the Lead Member or ultimate parent level/ PE Fund level, will constitute a Change in Ownership of the Beneficiary. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
300.	<p>Query: Change in Composition of Consortium and Change in Ownership</p> <ul style="list-style-type: none"> Whether any intermediate restructuring which does not result in a change in ownership or control at the ultimate holding company level would be treated as a “Change in Ownership” and impact the incentive eligibility of the Beneficiary under the Scheme? 	<p>The relevant clauses of the RFP are self-explanatory.</p>
301.	<p>Query: Consortium composition changes / substitution / exit of members</p> <ul style="list-style-type: none"> Whether any change in the Consortium composition or participation is permitted after issuance of the Letter of Award (LOA), including at the stage of formation of the Special Purpose Vehicle (SPV); or later post LOA (including after a defined period, such as 3 months from the LOA Date). 	<p>The relevant clauses of the RFP are self-explanatory.</p>
302.	<p>Query: Consortium composition changes / substitution / exit of members</p> <ul style="list-style-type: none"> If such changes post LOA are permissible, whether the same are allowed only with prior approval of the Government, and subject to compliance with the eligibility, control, and Change in Ownership provisions of the RFP. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
303.	<p>Query: Consortium composition changes / substitution / exit of members</p> <ul style="list-style-type: none"> Whether a Consortium Member is permitted to transfer its shareholding in the SPV to its group company / affiliate / subsidiary, either at the time of incorporation of the SPV; or post incorporation of the SPV (during the Scheme Tenure), provided that: the ultimate ownership and control of the group remains unchanged; and the Lead Member continues to retain the minimum prescribed shareholding and control under the RFP; and all eligibility and Change in Ownership provisions of the RFP are complied with. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
304.	<p>Query: Intragroup business transfer / corporate reorganization (no change in control)</p> <ul style="list-style-type: none"> • In case there is change in shareholder of Beneficiary/ SPV due to transfer of business by the Lead Member to another Company under the same group, will it qualify as Change in Ownership. • For instance, Company A is the holding company and has a subsidiary (say Company B), which is engaged in multiple lines of business including magnet manufacturing. Company B participates in the this Bid through Consortium and later on forms a SPV/ company in India. Due to internal re-organization or spinning of the Magnet business operation of Company B, the Magnet business is transferred to Company C (Company C will have same shareholder as of Company B that is company A, holding company) .Thus, while, there is change in the shareholder of SPV, however, since Company B and Company C, both are owned by the same shareholders, as clarified during the Pre-Bid, we understand that the same is permitted under the Scheme and will not have any kind of restriction on incentives, benefits, or any other facilities, rights, privileges as otherwise available under the Scheme. Where the magnet manufacturing business is transferred pursuant to an internal re organization from one group entity to another group entity having the same ultimate shareholding, resulting in a change in the immediate shareholder of the Beneficiary SPV but no change in ultimate ownership or control, whether such change would be treated as a “Change in Ownership” under the Scheme and impact the incentive eligibility of the Beneficiary. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
305.	<p>Query: Intragroup business transfer / corporate reorganization (no change in control)</p> <ul style="list-style-type: none"> • For Change in Ownership, whether any change in the immediate shareholding of the SPV from Company A to Company B, will have any impact on incentives eligibility under this Scheme or not? 	<p>The relevant clauses of the RFP are self-explanatory.</p>
306.	<p>Query: Intragroup business transfer / corporate reorganization (no change in control)</p> <ul style="list-style-type: none"> • In case the Bidder undergoes a reorganization post issuance of the LOI/LOA, pursuant to applicable laws in overseas jurisdictions, whereby a specific line of business is transferred to another entity (while the original Bidder entity continues to exist as a legal entity, since only a particular line of business is transferred), and the shareholding of both entities remains materially the same at the time 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>of such transfer, whether such reorganization would be treated as a “Change in Ownership” under the Scheme.</p>	
307.	<p>Query: Dilution of SPV shareholding below 100% (retention of $\geq 51\%$)</p> <ul style="list-style-type: none"> • Whether a SPV set up by a foreign entity as a wholly owned subsidiary can subsequently dilute its shareholding to other investors and retain its ownership up to 51% of the SPV, without any negative impact under the Scheme? 	<p>The relevant clauses of the RFP are self-explanatory.</p>
308.	<p>Query: Permissible SPV holding structure (direct vs indirect holding) LOA or later on and if any restriction is there, please clarifying the same restriction and at which point the same will be applicable.</p> <ul style="list-style-type: none"> • Whether, the Selected Bidder is required to hold directly 100% shareholding in the Indian SPV; 	<p>The relevant clauses of the RFP are self-explanatory.</p>
309.	<p>Query: Permissible SPV holding structure (direct vs indirect holding) LOA or later on and if any restriction is there, please clarifying the same restriction and at which point the same will be applicable.</p> <ul style="list-style-type: none"> • Whether an indirect holding structure (through a wholly-owned intermediary entity) would be permissible, provided that ultimate ownership and control remains with the Selected Bidder 	<p>The relevant clauses of the RFP are self-explanatory.</p>
310.	<p>Query: Permissible SPV holding structure (direct vs indirect holding) LOA or later on and if any restriction is there, please clarifying the same restriction and at which point the same will be applicable.</p> <ul style="list-style-type: none"> • Can the other JV partner be introduced at this stage itself subject to retaining 51% holding? 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
311.	<p>Query: Permissible SPV holding structure (direct vs indirect holding) LOA or later on and if any restriction is there, please clarifying the same restriction and at which point the same will be applicable.</p> <ul style="list-style-type: none"> • Whether the SPV can be formed under another entity who was not the Bidder but is a group Company of the Bidder. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
312.	<p>Query: Exit of financial investors (PE/financial sponsor exit)</p> <p>Under the proposed ownership structure, certain shareholders of the Bidder/Beneficiary are private equity investors. As it is customary for financial investors, such PE investors typically have a defined investment horizon, and an exit may occur during the Scheme Tenure. In this context, we seek clarification on the following:</p> <ul style="list-style-type: none"> • Whether an exit of financial investors (such as private equity funds) from the Bidder/Beneficiary, where such exit is part of the normal investment lifecycle of PE funds and does not result in any change in ultimate operational control of the Bidder/Beneficiary or the Project, would be regarded as a “Change in Ownership” under the PLI Scheme, potentially impacting eligibility or continuation of incentives. • Whether such exits by purely financial investors, if appropriately disclosed and not resulting in a change in control, may be excluded or carved out from the scope of “Change in Ownership” for the purposes of the Scheme. 	<p>Provisions of the RFP shall prevail.</p>
313.	<p>Query: Exit of financial investors (PE/financial sponsor exit)</p> <ul style="list-style-type: none"> • Whether a change in shareholding at the upstream Lead Member or consortium member level would constitute a Change in Ownership of the Beneficiary, and whether any exception is available in cases where private equity funds are shareholders at the Lead Member level. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
314.	<p>Query: Listing related dilution of shareholding (public shareholding)</p> <ul style="list-style-type: none"> In the event that the Bidder or the Lead Member (in case of a Consortium), the Beneficiary SPV, or any holding company or ultimate beneficial owner (UBO) of the Bidder / Lead Member / SPV is subsequently listed on a recognized stock exchange, resulting in dilution of shareholding due to public shareholding dispersed in the market, kindly clarify whether such listing and consequent dilution would be construed as a “Change in Ownership” at the Beneficiary level as such listing does not result in any change in control, management rights, or the ability to influence the strategic or operational decisions of the Beneficiary. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
315.	<p>Query: Listing related dilution of shareholding (public shareholding)</p> <ul style="list-style-type: none"> Whether the condition will be applicable of lead member of the SPV requiring holding shares of more than or equal to 51% even when the SPV is listed on Indian Stock exchange 	<p>The relevant clauses of the RFP are self-explanatory.</p>
316.	<p>Query: Post incorporation restructuring of SPV shareholding</p> <p>Where an Indian company submits the Bid and, upon award, incorporates a project specific SPV as the Beneficiary, whether it is permissible for the shareholding of such SPV to be restructured post incorporation, subject to the Indian Bidder retaining a minimum of 51% shareholding and control in the SPV at all times; and whether the balance shareholding in the SPV may be held by other shareholders (including strategic investors, financial investors and/or group entities), provided that the minimum prescribed shareholding and control requirements applicable to the Bidder / Lead Member under the RFP continue to be complied with on a continuing basis.</p> <ul style="list-style-type: none"> Whether, in such a case, the restriction relating to “Change in Ownership” is intended to apply only to the controlling shareholder / Lead Member, or whether it extends to all shareholders of the SPV, including minority shareholders. In case the SPV is subsequently listed on a recognized stock exchange, resulting in dilution of shareholding due to public shareholding dispersed in the market, kindly clarify whether such listing 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>and consequent dilution would be construed as a “Change in Ownership” at the Beneficiary level as such listing does not result in any change in control, management rights, or the ability to influence the strategic or operational decisions of the Beneficiary.</p>	
317.	<p>Query: Induction of financial/strategic investors at SPV level</p> <ul style="list-style-type: none"> • Whether financial investors or strategic investors (vendors, technology partners, customers) may be inducted at the SPV level without constituting a Change in Ownership 	<p>The relevant clauses of the RFP are self-explanatory.</p>
318.	<p>Query: Net worth computation – consolidated vs standalone financials</p> <ul style="list-style-type: none"> • Whether the Net worth can be computed based on the consolidated financial statement or the same must be determined based on the standalone financial statement only. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
319.	<p>Query: Net worth certification – foreign entities & documentation</p> <ul style="list-style-type: none"> • Kindly confirm the supporting documentation and authentication requirements, if any, for submission of such foreign audited financial statements. 	<p>In jurisdictions where statutory auditor is not permitted under local regulations to issue a Net Worth Certificate, such certificate should be issued by professional bodies/ entities qualified to act as such statutory auditor.</p> <p>Any such certification should: (i) comply with all requirements of the RFP for Net Worth certificate, and (ii) be accompanied by appropriate representations from the bidder and documentary evidence(s) establishing that local regulations prohibit</p>

S. No.	Query	Response
		the statutory auditor from issuing such certificate.
320.	<p>Query: Acceptability of CA agreed upon procedures report</p> <ul style="list-style-type: none"> Whether the Report issued by a Chartered Accountant performing the agreed-upon procedure and providing the mechanism of quantifying the Net Worth is sufficient for compliance with the Net Worth Certificate or not? 	The relevant clauses of the RFP are self-explanatory.
321.	<p>Query: Eligibility based on Associate net worth / newly incorporated Bidder</p> <p>In case the Bidder proposes to participate through a newly incorporated entity (in India or outside India), which would be a wholly owned subsidiary of an existing group entity, and such Bidder may seek to satisfy the net worth eligibility criteria by relying on the net worth of its Associate, in accordance with the RFP. In this context, we seek clarification on the following:</p> <ul style="list-style-type: none"> Whether a newly incorporated wholly owned entity can participate as the sole Bidder by relying on the net worth of its Associate, as defined under the RFP. If yes, whether such participation is permissible without submission of a parent company bank guarantee or any similar financial support undertaking from the parent / promoting entity, provided the eligibility criteria is met through Associate credentials. 	The relevant clauses of the RFP are self-explanatory.
322.	<p>Query: Commissioning, commercial production & assessment methodology</p> <ul style="list-style-type: none"> Whether the requirement of 50% commissioning with commencement of commercial production is to be assessed on a specific cut off date (i.e., completion by the end of 3 years from the LOA Date); or over a defined assessment period (such as sustained operations over a particular number of days or months). 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
323.	<p>Query: Commissioning, commercial production & assessment methodology</p> <ul style="list-style-type: none"> • Whether the RFP contemplates any minimum continuous operating period post commissioning for determining compliance with Milestone 3. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
324.	<p>Query: Commissioning, commercial production & assessment methodology</p> <ul style="list-style-type: none"> • Whether Milestone 3 requirements are absolute or subject to any relaxation considering technical and operational realities. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
325.	<p>Query: Commissioning, commercial production & assessment methodology</p> <ul style="list-style-type: none"> • Is there any prescribed measurement period or timing for this assessment? (For example, must the capacity be achieved over the most recent XX months, only in the final month, or is it sufficient if it is achieved in any single month within the three-year period?) 	<p>The relevant clauses of the RFP are self-explanatory.</p>
326.	<p>Query: Commissioning, commercial production & assessment methodology</p> <ul style="list-style-type: none"> • Is it sufficient that the facilities are capable of producing at the specified capacity, or is it required that actual output corresponding to the specified capacity has been achieved? • Related to the above, we seek clarification on how “commissioning of 50% (fifty per cent) of the Allocated Capacity” is expected to be assessed and determined during the Independent Engineer’s verification process. Specifically, whether such assessment would be given since the capacity has been fully installed and has commenced commercial production, or whether it would be sufficient that the plant is ready for commissioning. This clarification is sought in view of Clause 1.3.1(c) (Milestone 3) of the RFP, which states that at least fifty per cent of the Allocated Capacity is required to be commissioned within three years of the LOA Date and commercial production commenced. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
327.	<p>Query: Commissioning, commercial production & assessment methodology</p> <ul style="list-style-type: none"> We also request you to kindly consider extending the timeline for achieving Milestone 3, as it is extremely challenging to procure and install all capital goods within the current stipulated timeline, particularly considering recent supply chain constraints and geo-political challenges. Further, the project envisages an estimated construction period of approximately 2.5 years, followed by about 0.5 year for trial runs. Commercial production cannot commence immediately upon completion of installation and must be aligned with customer qualification and demand requirements. Accordingly, we request that suitable relaxation / extension in the Milestone 3 timeline be considered 	Provisions of the RFP shall prevail.
328.	<p>Query: Computation of net sales turnover for 40% incentive cap</p> <p>The RFP provides that the Sales Incentive for any period shall not exceed 40% of the net sales turnover (net of GST) of sintered NdFeB REPM for the relevant period. In this regard, kindly clarify:</p> <ul style="list-style-type: none"> Whether credit notes issued (including on account of price revisions, quality claims, discounts, quantity variances, or post sale adjustments) are required to be reduced from the gross invoice value while computing the “net sales turnover” for determination of the 40% cap. Whether such reduction is to be considered period wise (i.e., credit notes adjusted in the same claim period) or whether subsequent period credit notes are also required to be factored into the computation of net sales turnover for the relevant claim period. 	The relevant clauses of the RFP are self-explanatory.
329.	<p>Query: Execution formalities for consortium documents</p> <ul style="list-style-type: none"> In the case of Consortium, whether each Member is required to sign all pages of the Consortium Deed, Power of Attorney, etc., or whether the signing of the last page by each member on a separate paper is sufficient to expedite the process? 	The execution formalities should comply with the applicable laws (e.g., notarisation requirements, stamp duty, etc).
330.	<p>Query: Certification</p> <ul style="list-style-type: none"> Whether certifications and other documents issued by a statutory auditor or third-party auditor may be submitted in their official / local language, along with an English translation or with reference to 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
	<p>an English version of the document, given that statutory auditors and third-party auditors generally issue such documents in their official language.</p>	
331.	<p>Query:</p> <ul style="list-style-type: none"> Request for consideration of the extension of the bid submission timeline, specifically in light of the fact that a two-month timeline is very short, since the execution of the Consortium with large multinational companies involved a series of processes, including the Board Meeting, multi-layer approval, and all these processes require a minimum of days' notice, etc. Furthermore, there are various processes that are interlinked and interdependent, and thus the completion of all such processes, specifically with large MNCs and listed companies, is not humanly possible. 	Provisions of the RFP shall prevail.
332.	<p>Query:</p> <ul style="list-style-type: none"> We understand that the true objective of the Scheme is to invite large corporate/ MNC/Listed companies and thus, in light of the spirit of the Scheme, we request you to please consider extension of at least one month's time and announce the same upfront at the earliest, so that the Bidder does not lose interest since otherwise, Bidder may feel that the Scheme is not designed for the large companies / listed companies etc. 	Provisions of the RFP shall prevail.
333.	<p>Query:</p> <ul style="list-style-type: none"> Does the Government envisage future expansion or a Phase-II under the same Scheme? 	The query does not pertain to the provisions of the RFP.
334.	<p>Query:</p> <ul style="list-style-type: none"> Is any coordination planned with downstream sectors (EV, wind, defence) for demand assurance or offtake facilitation? 	The query does not pertain to the provisions of the RFP.

S. No.	Query	Response
335.	<p>Query: Import Duty Rationalisation</p> <ul style="list-style-type: none"> • Bidder requests to enhance import duty on REPM magnets from land-border-sharing countries to 30% in order to: <ol style="list-style-type: none"> 1. Prevent dumping and price undercutting 2. Ensure a level playing field for domestic manufacturer 	<p>The query does not pertain to the provisions of the RFP.</p>
336.	<p>Query: Raw Material Price Volatility</p> <ul style="list-style-type: none"> • Current Scheme incentives may not sufficiently absorb extreme price fluctuations. Bidder requests to: <ol style="list-style-type: none"> 1. Introduce Price Variation/ Indexed incentive mechanism - linked to NdPr prices 2. Regulate price of NdPr Oxide supplied by IREL 	<p>The query does not pertain to the provisions of the RFP.</p>
337.	<p>Query: Availability of Heavy Rare Earth Elements (HREEs) in India</p> <ul style="list-style-type: none"> • Without assured supply, full magnet manufacturing ecosystem, especially higher grades, may remain import-dependent. Bidder requests that: <ol style="list-style-type: none"> 1. Government-led resource linkage and allocation strategy may be formulated and 2. Creation of domestic processing capabilities for HREE 	<p>The query does not pertain to the provisions of the RFP.</p>
338.	<p>Query: Domestic Value Chain Development (MTO Mandate)</p> <ul style="list-style-type: none"> • Bidder request policy support for minimum 70% Material Take-Off (MTO) from domestic suppliers to: <ol style="list-style-type: none"> 1. strengthen domestic ecosystem, which will protect the country from the vulnerability to geopolitical and supply chain disruptions and 2. Ensure backward integration and long-term supply security 	<p>The query does not pertain to the provisions of the RFP.</p>

S. No.	Query	Response
339.	<p>Query: Policy Stability Concerns (Investor Confidence)</p> <ul style="list-style-type: none"> • Bidder requests to provide long-term policy assurance framework/ stability clause to to attract large-scale global investments. 	<p>The query does not pertain to the provisions of the RFP.</p>
340.	<p>Query: Technical Qualification</p> <ul style="list-style-type: none"> • Bidder requests confirmation whether non-traditional/ emerging magnet technology ecosystems like that of Rosatom are acceptable under the Scheme. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
341.	<p>Query: Bid Submission Timeline Extension</p> <ul style="list-style-type: none"> • Bidder is evaluating complex technology tie-ups and also needs time for carrying out detailed technical and financial due diligence, therefore requests extension of bid submission date to 31-07-2026. 	<p>Provisions of the RFP shall prevail.</p>
342.	<p>Query: RFP refers to Independent Engineer and PMA verification.</p> <ul style="list-style-type: none"> • What is expected timeline for verification and issuance of certificates after claim submission. • Publish SLA timelines for inspection, deficiency notice, approval and disbursement. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
343.	<p>Query: No detailed quality/specification standard for eligible magnets specified in extracted sections.</p> <ul style="list-style-type: none"> • Whether incentive applies to all grades/shapes/sizes of sintered NdFeB magnets. • Clarify eligible product scope including grades, finished vs semi-finished forms, and machining/coating variants. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
344.	<p>Query: No explicit mention of environmental approvals support mechanism.</p> <ul style="list-style-type: none"> • Whether delays in statutory approvals will qualify as extension events. • Recognize approval delays beyond bidder control as relief events for milestone timelines. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
345.	<p>Query: Capital-intensive and technology-intensive project.</p> <ul style="list-style-type: none"> • Whether technology collaboration / licensing with foreign OEMs is permitted without equity participation. • Confirm ToT/licensing/JV structures are permissible subject to applicable laws. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
346.	<p>Query: General</p> <ul style="list-style-type: none"> • The risks associated with the unavailability of raw materials and critical process technologies can be mitigated through the development of a robust domestic ecosystem for sintered Rare Earth Permanent Magnets (REPM). This can be enabled through coordinated support from Indian Rare Earths Limited, Bhabha Atomic Research Centre, Mishra Dhatu Nigam Limited, and Defence Research and Development Organization. <p>IREL can ensure a reliable supply of NdPr oxide through long-term arrangements. BARC can provide technology support for metal extraction and alloy production. MIDHANI can contribute to alloy manufacturing and scale-up, while DRDO can offer expertise in magnet fabrication and performance testing. Aligning the Production Linked Incentive (PLI) scheme with these institutions will facilitate access to both technology and raw materials, thereby reducing supply chain risks and enabling the establishment of an integrated value chain from oxide to finished magnets.</p>	<p>Provisions of the RFP shall prevail.</p>
347.	<p>Query:</p> <ul style="list-style-type: none"> • Please confirm that we are free to set up our sintered manufacturing capacity from NdPr metal onwards and are not obligated to set up the electrolysis facility of manufacturing NdPr metal from NdPr Oxide. • If we do not set-up metal-making facility but are entitled to an allocation from IREL in terms of the RFP, we are free to convert oxide to metal from an external party (which may or may not be part of our consortium). 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
348.	<p>Query: Import Policy & Custom Support</p> <ul style="list-style-type: none"> What is the prevailing government policy regarding the import of machinery, raw materials, technology, and technical personnel from China for projects related to Rare Earth Permanent Magnet (REPM) manufacturing? 	<p>The query does not pertain to the provisions of the RFP.</p>
349.	<p>Query: Import Policy & Custom Support</p> <ul style="list-style-type: none"> Is any import-duty exemption, concession, or support envisaged for the import of Rare Earth Element (REE) oxides and equipment specifically related to REPM manufacturing under the proposed scheme? 	<p>The query does not pertain to the provisions of the RFP.</p>
350.	<p>Query: Import Policy & Custom Support</p> <ul style="list-style-type: none"> What measures are proposed to safeguard domestic REPM manufacturing from dumping or aggressive pricing by Chinese suppliers, including but not limited to Make-in-India promotion, anti-dumping duties, or other trade-remedy mechanisms? 	<p>The query does not pertain to the provisions of the RFP.</p>
351.	<p>Query: Policy stability</p> <ul style="list-style-type: none"> Given that the financial viability of Rare Earth Permanent Magnet (REPM) manufacturing is critically dependent on the availability of Rare Earth oxides in adequate quantities and at competitive prices—significantly lower than prevailing international benchmarks such as the Shanghai Metals Market—whether the Government of India is actively considering measures to enhance domestic RE oxide availability beyond the current level of approximately 500 MT per annum from IREL, including sourcing from additional domestic or alternative channels? 	<p>The query does not pertain to the provisions of the RFP.</p>
352.	<p>Query: Policy stability</p> <ul style="list-style-type: none"> Considering that a significant scale-up in Rare Earth oxide production within India is likely to require private sector participation, does the Government of India envisage any policy reforms or regulatory changes—particularly relating to the handling and management of naturally occurring radioactive 	<p>The query does not pertain to the provisions of the RFP.</p>

S. No.	Query	Response
	<p>elements in Beach Sand Minerals—to facilitate greater private sector involvement in RE mineral mining, processing, and concentration?</p>	
<p>353.</p>	<p>Query: Policy stability</p> <ul style="list-style-type: none"> • Is there a provision for extension of government support beyond the initial five-year period, considering future market dynamics and the pace of development of indigenous Rare Earth oxide availability, particularly if domestic supply is insufficient to meet 100% of the industry’s RE oxide requirements? 	<p>The relevant clauses of the RFP are self-explanatory.</p>
<p>354.</p>	<p>Query: Upstream Integration</p> <ul style="list-style-type: none"> • Does the government envisage any current or future scheme, including joint ventures between government and industry, to explore, develop, or commercialize mining sources relevant to REPM materials 	<p>The query does not pertain to the provisions of the RFP.</p>
<p>355.</p>	<p>Query: Upstream Integration</p> <ul style="list-style-type: none"> • Given that economical availability of RE oxides is critical for the success of the REPM industry, will upstream investments in mining and concentration of RE ores be considered eligible CAPEX under the applicable incentive or support scheme? 	<p>The query does not pertain to the provisions of the RFP.</p>
<p>356.</p>	<p>Query: Eligibility</p> <ul style="list-style-type: none"> • In case of bids submitted by a Joint Venture (JV) or Consortium, is it mandatory for the entity registered on the portal to be the lead member, or can the registered entity be any member of the JV/Consortium? 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
357.	Query: Eligibility <ul style="list-style-type: none"> • Is a bidder permitted to participate in multiple consortiums, provided the bidder possesses the required technology and participates solely as a technology provider? 	The relevant clauses of the RFP are self-explanatory.
358.	Query: RFP Governance <ul style="list-style-type: none"> • The RFP indicates that it may be amended, changed, or updated from time to time—are such amendments limited to specific clauses or sections, or can they apply to any part of the RFP? 	The relevant clauses of the RFP are self-explanatory.
359.	Query: RFP Governance <ul style="list-style-type: none"> • If amendments to the RFP result in a material financial impact that leads a bidder or beneficiary to opt out of the project, how will such situations be addressed by the government or the nodal agency? 	The relevant clauses of the RFP are self-explanatory.
360.	Query: <ul style="list-style-type: none"> • Can a company set up a magnet plant with capacity above 1200 MTPA but claim sales and capital incentives only up to 1200 MTPA? 	The relevant clauses of the RFP are self-explanatory.
361.	Query: <ul style="list-style-type: none"> • Please confirm that we are free to set up our sintered manufacturing capacity from NdPr metal onwards and are not obligated to set up the electrolysis facility of manufacturing NdPr metal from NdPr Oxide. 	The relevant clauses of the RFP are self-explanatory.
362.	Query: <ul style="list-style-type: none"> • If we do not set-up metal-making facility but are entitled to an allocation from IREL in terms of the RFP, we are free to convert oxide to metal from an external party (which may or may not be part of our consortium). 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
363.	<p>Query:</p> <ul style="list-style-type: none"> • Please confirm that we are free to set up our sintered manufacturing capacity from Hydrogen Decrepitation Stage onwards and are neither obligated to set up the electrolysis facility of manufacturing NdPr metal from NdPr Oxide nor strip casting facility. • If we do as above, is it necessary that the manufacturing player supplying the alloy strip is part of the consortium 	<p>The relevant clauses of the RFP are self-explanatory.</p>
364.	<p>Query:</p> <ul style="list-style-type: none"> • Please confirm that we are free to set up our sintered manufacturing capacity from Hydrogen Decrepitation Stage onwards and are neither obligated to set up the electrolysis facility of manufacturing NdPr metal from NdPr Oxide nor strip casting facility. • If we do as above, is it necessary that the manufacturing player supplying the alloy strip is part of the consortium 	<p>The relevant clauses of the RFP are self-explanatory.</p>
365.	<p>Clarifications on “Integrated Facility” for Multiple Locations / Entities</p> <p>We understand that the Scheme requires an integrated Sintered NdFeB Rare Earth Permanent Magnet manufacturing facility, wholly owned and controlled by the Beneficiary, covering the prescribed value chain. In this context, we seek specific clarifications for the following three scenarios.</p> <p><u>Scenario 1: Multiple locations of one single legal entity</u></p> <p>In this scenario, the Applicant is a single legal entity (not a Consortium), which proposes to implement the allocated capacity across more than one manufacturing location in India. Different locations of the same entity may perform different stages of the value chain, while the total Allocated Capacity and investment commitment are met at an overall level.</p> <p>Our understanding:</p> <ul style="list-style-type: none"> · The RFP permits a single legal entity to set up and operate multiple manufacturing locations within India. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>· The allocated capacity and the committed investment will be fulfilled on an aggregate basis across all such locations.</p> <p>· The application under the RFP will be filed in the name of the Applicant only (single legal entity), and all locations will be treated as part of the same Beneficiary entity for Scheme purposes.</p> <p>Query:</p> <ul style="list-style-type: none"> • Kindly confirm whether the above understanding is correct and that, under the RFP, a single Applicant entity may implement the integrated facility through multiple locations, with capacity and investment commitments evaluated on an overall basis for that entity. 	
366.	<p>Query:</p> <p>Scenario 2: Multiple locations of multiple entities within the same group</p> <p>In this scenario, there are multiple legal entities within the same group (holding company, subsidiaries and/or Associates as defined in the RFP), each having one or more manufacturing locations. Different group entities/locations may undertake different parts of the value chain.</p> <p>We seek clarity on both the applicant structure and the treatment of eligibility and commitments.</p> <p>(a) Consortium / group application structure</p> <p>Query:</p> <ul style="list-style-type: none"> • Please confirm whether a Consortium comprising entities belonging to the same group (holding company, subsidiaries and/or Associates) is permitted under the RFP. • If a Consortium of group entities is permitted, please clarify: <ul style="list-style-type: none"> ○ Whether the application should be filed in the name of the holding company as the Lead Member, and ○ Whether other group entities (subsidiaries/Associates) may be considered as Co-applicants/Consortium Members under the same application. 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
367.	<p>Query:</p> <p>(b) Use of multiple group entities and locations for value chain</p> <p>In this scenario, the Applicant is a holding company (Lead Member), and multiple manufacturing locations are owned/operated by <u>different legal entities</u> within the same group.</p> <p>Query:</p> <ul style="list-style-type: none"> • Whether, where the Applicant is a holding company, multiple manufacturing locations under <u>different legal entities</u> within the same group may be considered collectively for meeting the integrated value chain requirements under the Scheme. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
368.	<p>Query:</p> <p>(c) Treatment of capacity, investment, and eligibility at group level</p> <p>Our understanding (subject to your confirmation):</p> <p>For a Consortium consisting exclusively of same-group entities, the allocated capacity and the investment commitment can be considered at a group level, i.e., on an overall basis across all participating group entities and their locations.</p> <p>Given that all Members belong to the same group, the eligibility requirements (including Net Worth and other financial criteria) for such a Consortium may be assessed at the group level, by aggregating the relevant financials of the Lead Member and its subsidiaries/Associates participating in the Consortium.</p> <p>Query:</p> <ul style="list-style-type: none"> • Kindly confirm whether the above understanding is correct and, if not, please specify how capacity, investment commitments and eligibility criteria (including Net Worth) are to be evaluated in the case of multiple entities and locations within the same group 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
369.	<p>Query:</p> <p>Scenario 3: Consortium with entity outside the group (unrelated entities)– Involvement of multiple locations of different entities</p> <p>In this scenario, the Applicant is a Consortium comprising entities that may not all belong to the same group. The Consortium proposes to implement the allocated capacity through an SPV incorporated in India as the Beneficiary. We understand that Bid will be filed in the name of lead member and details will be filled for member of Consortium.</p> <p>(a) Value chain within SPV vs. Members’ facilities</p> <p>Query:</p> <p>In the case of an Applicant being a Consortium:</p> <ul style="list-style-type: none"> • Is the entire value chain across multiple locations required to be housed within the SPV to be formed as the Beneficiary for the Allocated Capacity; or • May individual Members of the Consortium contribute to different parts of the value chain in their own name outside the SPV (at their respective facilities), with such activities still being counted towards fulfilment of the integrated facility requirements? <p>If option (2) is permissible, we further seek confirmation that:</p> <ul style="list-style-type: none"> • The committed capacity and investment will be considered on an overall basis at the level of the Beneficiary/Consortium, aggregating the contributions of the SPV and the respective Consortium Members. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
370.	<p>Query:</p> <p>(b) Net Worth requirement for Consortium</p> <p>Our understanding:</p> <p>For a Consortium Applicant, the Net Worth requirement under the RFP should be satisfied by the Lead Member and its Associates (as defined in the policy), and</p>	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>The Net Worth of other Consortium Members and their respective Associates will not be taken into account for meeting the Net Worth eligibility requirement.</p> <p>Clarification requested: Kindly confirm whether this understanding is correct, i.e., that the Net Worth for eligibility purposes will be assessed only on the Lead Member (together with its Associates) and not on other Consortium Members or their Associates.</p>	
371.	<p>Query:</p> <ul style="list-style-type: none"> As per clause 2.2.2, for the purpose of computing the Net Worth of a Bidder, the Net Worth of its Associates (or the Associates of the Lead Member) would also be eligible. We understand this to mean that the Net Worth of an Associate can be considered for eligibility purposes even if such Associate is not directly participating in or practically involved in the proposed project. Kindly confirm if this understanding is correct. 	The relevant clauses of the RFP are self-explanatory.
372.	<p>Query:</p> <ul style="list-style-type: none"> Sales Incentive - 40% of net sales cap - With reference to the provisions relating to Sales Incentive and the cap of 40% of net sales turnover (net of GST), please clarify whether this 40% ceiling is to be applied on a per Financial Year basis; or cumulatively over the entire Scheme Tenure in respect of the Beneficiary. 	The relevant clauses of the RFP are self-explanatory.
373.	<p>Query:</p> <ul style="list-style-type: none"> Please clarify whether assets taken on financial lease are considered as Eligible Investment for the purpose of determining eligibility for Capital Subsidy under the Scheme 	The relevant clauses of the RFP are self-explanatory.

S. No.	Query	Response
374.	<p>Query:</p> <ul style="list-style-type: none"> With respect to Eligible Investment on R&D and product development related to sintered NdFeB REPM, please clarify whether capital expenditure incurred on standalone R&D facilities (not located within the main production facility but within India and under the control of the Beneficiary and/or its Associates) will qualify as Eligible Investment for Capital Subsidy. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
375.	<p>Query:</p> <ul style="list-style-type: none"> For foreign Bidders proposing to participate through an SPV to be formed as the Beneficiary, please clarify whether 100% downstream ownership of the SPV by the foreign Bidder and/or its Affiliates is required to be maintained for the entire Scheme Tenure, or whether dilution of equity shareholding in the SPV after commissioning of the allocated capacity is permissible, subject to prior approval of the Government; and continued compliance with the control and minimum shareholding requirements stipulated in the RFP. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
376.	<p>Query:</p> <ul style="list-style-type: none"> Waiting list and withdrawal after LOI - In the event that a Selected Bidder withdraws after issuance of the Letter of Intent (“LOI”), please clarify whether: Bidders placed on the waiting list, if any, will automatically be considered for selection in accordance with the ranking and provisions of the RFP; or A fresh approval/selection process will be undertaken by the Government for allocation of the corresponding capacity. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
377.	<p>Query:</p> <ul style="list-style-type: none"> Change in committed capacity after LOA - With reference to the Allocated Capacity and the Letter of Award (“LOA”), please clarify whether a reduction in the originally committed capacity (for example, from 1,200 MTPA to 1,000 MTPA) may be permitted under exceptional circumstances, 	<p>The relevant clauses of the RFP are self-explanatory.</p>

S. No.	Query	Response
	<p>subject to prior approval from the Ministry; and corresponding revision of obligations, performance security and incentives. entitlements, as may be applicable.</p>	
378.	<p>Query:</p> <ul style="list-style-type: none"> • Eligibility of export sales for Sales Incentive - Please clarify whether Sales Incentive is intended to be applicable only to domestic sales within India, or whether export sales (including sales to overseas related or unrelated parties) will also be eligible, subject to fulfilment of other conditions under the Scheme and appropriate documentary evidence. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
379.	<p>Query:</p> <ul style="list-style-type: none"> • Related party transaction - Please clarify the treatment of sales made to related parties/Group entities for the purpose of Sales Incentive. Specifically, would such sales qualify for Sales Incentive where they are undertaken at arm's length prices; and are supported by appropriate statutory/independent certifications, as applicable 	<p>The relevant clauses of the RFP are self-explanatory.</p>
380.	<p>Query:</p> <ul style="list-style-type: none"> • In case of a tie in both the Quoted Sales Incentive Rate and the Committed Capacity, please confirm the procedure to be adopted for selection of the Bidder 	<p>The relevant clauses of the RFP are self-explanatory.</p>
381.	<p>Query:</p> <ul style="list-style-type: none"> • With reference to the Capital Subsidy available upon commissioning and issue of the Completion Certificate, please confirm whether there is any time limit prescribed under the Scheme for submission of Capital Subsidy claims after issuance of the Completion Certificate, and if so, kindly specify the period and conditions. 	<p>The relevant clauses of the RFP are self-explanatory.</p>
