

**Revised Rules and Regulations for implementing the scheme “Encouraging Development and Commercialization of Inventions and Innovations”**

- A. The Government of India has approved a scheme on “**Encouraging Development and commercialization of inventions and innovations: A new impetus**” for implementation by scientific establishments, scientists in Ministries /Departments of Government of India as well as autonomous institutes under them. This is as notified by Department of Scientific and Industrial Research (DSIR) vide OM No. 3/3/2009-TU/V/knowledge-to-equity dated May 25, 2009. The key components of the approved scheme are:
- i. Permitting the researchers to have an equity stake in scientific enterprises / spin offs while in professional employment with their research and academic organizations (Universities, academic and research institutions, herein after referred to as Scientific Establishment);
  - ii. Permitting the Scientific Establishment to invest knowledgebase as equity in the enterprises;
  - iii. Encouraging the Scientific Establishment to set up incubation centers; and
  - iv. Facilitating the mobility of researchers between industry and Scientific Establishment.
- B. As per the above Department notification, scientists of Department of Biotechnology as well as autonomous institutes under its administration control are eligible to avail the provisions of the scheme. The above communication has also provided a procedure to operationalize the provisions of the proposal. Accordingly, the concerned Scientific Establishment will have to evolve rules and regulations based on the guidelines suggested in the OM and seek concurrence of their respective Administrative Ministry. Thereafter, the respective Scientific Establishment would need to obtain the approval of its Governing Council / Body for implementing the scheme in their respective Establishments.
- C. The rules and regulations for implementing the scheme “Encouraging Development and Commercialization of Inventions and Innovations” were issued vide OM No. BT/NBDB/13/01/2014 dated 25<sup>th</sup> November, 2014. These rules have been further revised now with the approval of Secretary, Department of Biotechnology, Govt of India and will have overriding effect on all the provisions of the earlier OM dated 25<sup>th</sup> November, 2014.

**1. Short title**

These may be called ‘**Scientific Establishment special provisions pertaining to rules and regulations for Encouraging Development and Commercialization of inventions and innovations**’.

**2. Definitions**

- i. “Government” means the Central Government of India;

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- ii. “Entity” means a legal person constituted under Indian Laws primarily to commercialize knowledgebase;
- iii. “Scientific Enterprise” means a special class of new Entity that leverages scientific research, inventions and innovations and transforms them into commercializable technologies / products;
- iv. “Scientific Establishment” means the Department of Biotechnology (DBT) and the autonomous laboratories / institutes under it;
- v. “Scientists” means such categories of staff as notified by the Department of Biotechnology (DBT) and autonomous laboratories / institutes under it from time to time and shall include scientists and engineers in scientific cadre as well as academic staff;
- vi. “Knowledge base” means all inventions / innovations (whether patentable or not), invention / innovation disclosures, trade secrets, know-how, proprietary information, technical data documentation, data collections, databases, concepts, processes, software, design drawings, materials, support services and the like, whether or not the foregoing are in tangible or intangible form.

### **3. Operating Rules and Regulations**

#### **3.1 Permitting the scientists to have an equity stake in scientific enterprises / spin offs while in professional employment with their research academic organizations**

##### **3.1.1 Preamble**

Creation of Scientific Enterprises is the key indicator of the effectiveness of a national innovation system. This in turn requires translation of inventions and innovations into commercializable knowledge. Such enterprises are often established in the campuses of research institutes and universities due to their special needs and resource requirements such as strong domain expertise, contemporary skills as well as access to specialized manpower, facilities and know-how. Many developed nations world over encourage and enable their researchers (from publicly funded research organizations such as universities, research institutions etc.) to involve with Scientific Enterprises while in professional employment with their organization. Such measures are expected to ensure continued involvement of the researcher in translating the inventions or innovations to commercializable knowledge. With a view to permitting and enabling the researchers to involve with such science and engineering driven Scientific Enterprises, the Government has approved the above provision as one of the measures.

##### **3.1.2 Eligibility**

The scheme shall be applicable to all scientists and engineers in scientific cadre who have completed 3 years of service in the scientific cadre of Department of Biotechnology and the autonomous institutes under it and this could be further relaxed in meritorious cases with innovations having high potential for commercialization as recommended by the competent authority of the institution.

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**3.1.3 Procedure**

- i. The Scientific Establishment shall notify an official or an office or a committee for handling requests from scientists / engineers seeking permission under the provision;
- ii. Any scientist desiring permission shall apply to the notified authority in prescribed form (appendix I) seeking permission to have a stake in an Entity;
- iii. In the event of more than one scientist collectively investing in the Entity, each one of the scientists will have to seek the permission to have a stake in the Entity;
- iv. In the event of more than one scientist belonging to different Scientific Establishments collectively investing in the Entity, each one of the scientists will have to seek the permission to have a stake in the Entity from their respective Scientific Establishments;
- v. The notified authority shall examine each application in accordance with the procedures established by it and make an appropriate recommendation to the approving authority.

**3.1.4 Competent Authority for Approvals**

- i. The approving authority for the scientists of the department is the Secretary of the Department and for Scientists in the Autonomous Institutes / Laboratories is Head of the institution / Laboratory (Director);
- ii. Notwithstanding anything contrary contained in any other rule, order or notification but subject to the provisions of this scheme, the Approving authority shall permit a scientist to have an equity stake in scientific enterprise;
- iii. For implementing the provision at 3.1. by Scientific Establishment that is following CCS (Conduct) Rule, the Government has approved exemption in CCS (Conduct) Rules such as 15 (relating to private trade and employment), 16 (relating to investments, lending and borrowing), 18 (relating to movable . immovable property) and FR-11 and other related rules. However, only those scientists will be exempted from CCS (Conduct) Rules, who are permitted to have equity stake in companies by the Competent Authority. Remaining scientists of the Scientific Establishment will continue to be governed by the CCS (Conduct) Rules. If the Scientific Establishment is following its own conduct rules, then it has to provide exemption to the relevant rules to enable scientists permitted by the Competent Authority to avail the provision.
- iv. The approval must also specifically mention instructions to avoid anticipated conflict of interest (as indicated in section 5 of Annexure I) in the form of dos and don'ts;
- v. For the scientists of an Institute the Chairperson of Governing Council/ Governing Body of that Institute will be the Competent Authority for granting exemptions from operation of CCS (Conduct) Rules 1964 and/or any other relevant Rules. All such cases will be brought to his/her consideration with recommendations of Governing Council/ Governing Body of that Institute.
- vi. For the scientists working in the department Hon'ble Minister in charge of the department will be the Competent Authority for granting exemptions from operation of CCS (Conduct) Rules 1964 and/or any other relevant Rules.

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**3.1.5 Responsibilities**

**3.1.5.1 Scientist**

- i. shall primarily be responsible for the organization he is serving and shall be bound by any instructions, general or specific, that the Scientific Establishment may issue from time to time;
- ii. shall bring potential conflict of interest issues to the knowledge of the Scientific Establishment (as per annexure I, section 5) and be guided by the instructions that the Scientific Establishment may issue from time to time. Each Scientific Establishment may issue guidelines for management of conflict of interest, relevant to such Scientific Establishment, if necessary;
- iii. shall not directly or indirectly associate himself / herself with any process, notwithstanding the permission granted
  - a. to license knowledge base to the Entity;
  - b. for the purchase or hiring of goods and services from the Entity; and
  - c. to the evaluation of goods or services that compete with the goods or services of the Entity;
- iv. may provide professional advice to the Entity, upon request from the Entity, on such terms and conditions as the Scientific Establishment may prescribe;
- v. if desires to be associated with the Entity as non-executive Director, he/she would need to seek the approval specifically from the Scientific Establishment (vide section 4 & 6 of the proforma);
- vi. if desires to be associated with the Entity full time and guide the activities in the initial phase, he / she has to take lien from the Scientific Establishment. Such lien can be taken for a maximum period of 3 years;
- vii. shall, in the event of Entity's merger with another unit or acquiring another unit or coming out with an Initial Public Offering (IPO) or disinvesting his share in the entity, inform the Scientific Establishment in advance.

**3.1.5.2 Entity**

- i. should not be construed as an agent or representative or part of the Scientific Establishment. The Entity is solely responsible for the activities undertaken by the Entity or for any liabilities that may arise from the activities of the Entity;
- ii. can utilize the resources of the Scientific Establishment (the term 'resources' shall be broadly construed widely and include, without limitation, laboratories, equipments, personnel and space or the Scientific Establishment) with prior approval in writing and on such terms and conditions as the Scientific Establishment may prescribe;
- iii. shall, subject to the existing rights or licenses, have the option to license knowledgebase from the Scientific Establishment by paying royalty (upfront or staggered with milestones or a combination of both);
- iv. shall continue to be liable to the Scientific Establishment for payment of royalty even if the scientist concerned disinvests his / her stake in the Entity;

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- v. can source the knowledgebase from anywhere in India or Abroad; for the scientist to take equity stake the knowledgebase need not be from the same Scientific Establishment;

**3.1.5.3 Scientific Establishment**

- i. notwithstanding anything contrary contained in any other rule, order or notification but subject to the provisions of this scheme, shall permit a scientist to have any equity stake in Scientific Enterprise;
- ii. shall license knowledgebase to the Entity on terms that are no worse than the terms on which the Scientific Establishment would have licensed the knowledgebase to another person on arms length basis;
- iii. in its discretion may take equity stake in the Entity in lieu of royalty (as per provision 3.2);
- iv. if decides to disinvest the equity, it will be first offered to the promoters of the Entity;
- v. shall reserve the right to take an independent decision, as it deem appropriate, in the event of the Entity merging with another Entity or acquiring another Entity;
- vi. can offer its equity to be placed under the IPO, in the event the Entity decides to go public with an IPO offer.

**3.1.6 Modification to the rules**

Modifications to these rules can be effected by the Scientific Establishment with the concurrence of the Administrative Ministry and the approval of the Governing Council / Board of the Scientific Establishment.

**3.2 Enabling the Scientific Establishment to invest knowledgebase as equity in a Company / Entity**

**3.2.1 Preamble**

Entities, having innovative ideas, need support to realize their dreams. However requirement of heavy investment on many fronts discourages many aspiring technopreneurs. One of the ways to ease the burden of initial investment is offer of Knowledgebase in exchange for equity. Although such a measure by a Scientific Establishment is small in the light of the overall investment, the mere feeling that the Scientific Establishment is behind them enhances the confidence of the Entity immensely. Recognizing the intangible benefits, the Government has permitted the Scientific Establishment to invest knowledgebase and / or the cost of support services as equity in the enterprise / Entity.

**3.2.2 Eligibility**

Scientific Establishments that develop knowledgebase are eligible.

**3.2.3 Procedure**

- i. The Scientific Establishment shall notify an official or an office or a committee for handling requests from a Company / Entity seeking permission under the provision;
- ii. Any Company / Entity who desiring to utilize the knowledgebase and / or support services of Scientific Establishment shall apply to the notified authority in the

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prescribed form (appendix II) seeking permission for equity participation in lieu of the cost of knowledgebase and / or support services;

- iii. The notified authority shall examine each application in accordance with the procedures established by it and make an appropriate recommendation to the approving authority. The specified authority shall also reflect on the knowledgebase from Security and Sensitivity angle;
- iv. After approval by the competent authority, a legal agreement shall be entered between Scientific Establishment and the Company / Entity for transfer of knowledgebase and / or support services for equity incorporating all the relevant clauses of the approval;

### **3.2.4 Competent Authority for approvals**

- i. The approving authority is Head of the institution / Laboratory (Director);
- ii. The approval shall specifically state the quantum of the equity for the knowledgebase and / or support services. It would also specify the type of support services it shall provide and for how long;
- iii. The Approving authority may reject the permission if the knowledgebase impinges on the Security and Sensitivity of the nation;

### **3.2.5 Responsibility**

#### **3.2.5.1 Scientific Establishment**

- i. (the notified authority) shall finalize the terms & conditions for knowledgebase and / or support services to be invested as equity in the Company / Entity taking into consideration the over all investment and efforts required in translating such knowledgebase into commercialisable product / process by the company / Entity;
- ii. shall only invest knowledgebase and / or support services as equity and under no circumstances can invest cash as equity in the Company / Entity;
- iii. shall have a right to nominate its representative as independent Director on the Board of Directors of the Company / Entity;
- iv. shall not take the management of such Company / Entity in hand. Management of such Companies / Entities shall vest in the promoters or next majority stakeholder;
- v. shall not involve directly or indirectly any scientist, who has taken an equity stake in the Company / Entity in any process that pertain:
  - a) to license knowledge base to the Company / Entity
  - b) to the purchase or hiring of goods and services from the Company / Entity
  - c) to evaluate goods or services offered by the Company / Entity;
- vi. upon request from the Company / Entity, may provide technical personnel / professionals under the mobility scheme (vide 3.4), on such terms and conditions as the Scientific Establishment may prescribe;
- vii. shall divest their equity, at an appropriate opportunity on their discretion, as per the financial norms; In such an event the Company / Entity shall be given the first right

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to buy back the equity, without compromising on financial returns. However, the Scientific Establishment shall reserve the right to decide about its equity stake as it deems appropriate, in the event of the Company's / Entity's merger with another unit or acquiring another unit or coming out with an Initial Public Offering (IPO);

- viii. may utilize the services of financial institution to manage the portfolio;
- ix. shall distribute the dividend received from such Companies / Entities as well as the divestiture of equity with the innovators and staff as per the extant rules of the Scientific Establishment;
- x. shall plough back its share of dividend received from the income of such Companies / Entities as well as the amount received due to divestiture of equity stake in furthering its research objectives;

#### **3.2.5.2 The Company / Entity**

- i. shall not view the Scientific Establishment as a promoter of the Company / Entity and it shall be viewed only as an investor;
- ii. shall not use the name of the Scientific Establishment without the latter's express permission;
- iii. shall permit the Scientific Establishment to nominate a person on the Board of Directors;

#### **3.2.6 Modification to the rules**

Modifications to these rules can be effected by the Scientific Establishment with the concurrence of the Administrative Ministry and the approval of the Governing Council / Board of the Scientific Establishment.

### **3.3 Setting up of Technology Incubation Centers (TIC) by Scientific Establishment**

#### **3.3.1 Preamble**

Nurturing early stage innovations and developing them into technologies is a measure of the strength of the National Innovation System (NIS). Translating early stage innovations into technologies associated with considerable risks, requires large risk capital, in addition to sound technical expertise and sustained effort by the entrepreneur. The concept of Technology Incubation Centre (TIC) has served well in moving innovations to market place and thus limiting the initial capital investments by the entrepreneur. Recognizing the fact, Government has approved setting up of TICs by various Scientific Establishments. These multipurpose TICs, aim to provide high quality infrastructure and ecosystem to entrepreneurs so as to help nurture start up Companies / Entities through appropriate hand holding mechanisms.

#### **3.3.2 Objectives**

- to accelerate the commercialization of new inventions and innovations;
- to nucleate, nurture and mentor new Scientific Enterprises, mainly in the area of Biotechnology;
- to assist new Scientific Enterprises to forge appropriate linkages with other companies, academia and government;
- to encourage techno-preneurship in the country.

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**3.3.3 Scope**

TICs shall facilitate setting up of Scientific Enterprise that

- translate inventions and innovations into products / processes; and
- provide R&D services on contract basis to national and international clients.

**3.3.4 Eligibility**

Scientific Establishments under Department of Biotechnology are eligible.

**3.3.5 Procedure**

The Scientific Establishment wishing to set up a TIC shall prepare a comprehensive report and seek the approval of its Governing Council / Board. The comprehensive report among others shall include objectives, scope, R&D capacity and major facilities of the Scientific Establishment, IP portfolio, SWOT analysis, proposed operation of TIC, Management of TIC and financial analysis.

**3.3.6 Operation of TIC**

- i. The TIC shall function as an independent Entity, either as a section 25 company or a society;
- ii. The TIC can lease a built-up space from the Scientific Establishment, if the later can spare. For creating other necessary facilities, the TIC / Scientific Establishment may seek grants-in-aid support from other government departments;
- iii. In case such spare built-up space is not available, the Scientific Establishment may make alternate plans to build such facility either from its own budgetary resources or from grants-in-aid from other government departments;
- iv. The Scientific Establishment may also explore the possibility of setting up TIC in public-private-partnership mode on build, operate and transfer mode.
- v. The TIC shall charge basic rent, maintenance & reimbursable charges from its tenants and the Scientific Establishment shall recover the costs of the services it provided to the TIC;
- vi. The scientific Establishment shall constitute a TIC Function Review Committee to review the performance of the TIC periodically;
- vii. Each TIC shall endeavour to tie-up with one or more venture capital funds to facilitate financing of the Scientific Enterprises incubated on its premises;
- viii. The TIC shall endeavour to be a self-sustaining entity within a reasonable period from its commencement;
- ix. TIC shall give preference to the Entities that utilize the knowledgebase of the Scientific Establishment;

**3.3.6 Management of TIC**

- i. Head of the Scientific Establishment / an eminent Technologist nominated by the Governing Council / Board shall be the Chairman of the Board of Directors (BoD) of the TIC. He/she will have the overall authority for running the TIC. The BoD shall have powers among others, to select the applicants based on rigorous assessment



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including suitability of the TIC facilities for the intended activities of the Scientific Enterprise;

- ii. The BoD shall meet at least once in six months to discuss and take decisions for smooth running of TIC;
- iii. The TIC shall identify a suitable person from the Scientific Establishment or hire services of a professional as Managing Director or CEO (at competitive market prices) to manage the TIC. He/she shall among others, be responsible for the day-to-day operations, collection of rents, maintenance of the premises and assist the Chairman and BoD for smooth management of the TIC;
- iv. Any other secretarial assistance, security and maintenance staff that may be required for the TIC shall be outsourced on contract basis;
- v. The TIC shall evolve a standard legal agreement (with necessary modifications from case to case) to be entered between the Scientific Enterprise and the TIC.

### **3.4 Facilitating mobility of researchers between industry and Scientific Establishment and *vice versa***

#### **3.4.1 Preamble**

Building newer skills, competencies and capabilities in scientists is a continuous endeavour of all Scientific Establishments. One of the effective ways of building such skills is ‘mobility’ of researchers from one organization to another. Temporary movement of scientists / Engineers from one Scientific Establishment to other and to industry and vice versa is termed as ‘mobility’ of researchers. Mobility helps in seamless transfer of knowledge, skills and competencies across the spectrum. For example, scientists working in Scientific Establishment might acquire entrepreneurial skills with the exposure to industrial working environment; similarly, shortage of competent manpower may be eased in newer institutes temporarily. Recognizing the benefits, the Government has approved the provision for mobility of researchers between industry and Scientific Establishments and vice versa. This provision will cover personnel engaged in research, teaching, R&D activities including further development of innovation and inventions, as well as associated functions such as technology dissemination & diffusion, business development, knowledge management, technology & IP management, quality assurance etc.

#### **3.4.2. Eligibility**

The scheme shall be applicable to all scientists and engineers in the scientific cadre of Department of Biotechnology and the Scientific Establishments under it, who have completed 3 years of service and have at least 2 years of residual service after completion of the mobility period.

#### **3.4.3 Procedure**

- i. The Scientific Establishment shall notify an official or an office or a committee for handling requests from scientists / engineers seeking permission under the provision;
- ii. Any scientist who desires permission under the provision shall apply to the notified authority in prescribed form (appendix III);

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- iii. The notified authority shall examine each application in accordance with the procedures established by it and make an appropriate recommendation to the approving authority;

**3.4.4 Competent Authority for Approvals**

- i. The approving authority for the scientists / Engineers of the department is Secretary of the Department and for scientists / Engineers in the Scientific Establishment under it is Head of the Scientific Establishment (Director);
- ii. Notwithstanding anything contrary contained in any other rule, order or notification, but subject to the provisions of this scheme, the Approving authority shall permit a scientist to utilize the provision;
- iii. The approval shall specifically state the period for which the scientist / engineer is being permitted to avail the mobility provision;
- iv. Mobility shall be permitted only within the country;

**3.4.5 Operative Provisions**

- i. The mobility of scientists / engineers may be permitted between and among Scientific Establishments, industry and approved Scientific and Industrial research Organizations (SIROs) recognized by Department of Scientific and Industrial Research;
- ii. In utilizing the provision, two scenarios are envisaged viz. (i) mobility into the Scientific Establishment and (ii) mobility out of the Scientific Establishment. Both the scenarios are permissible;
- iii. The provision of mobility can be permitted for research, teaching, R&D activities including further development of innovation and inventions as well as associated functions such as technology dissemination & diffusion, business development, knowledge management, technology & IP management, quality assurance, etc.;
- iv. The objective of the mobility must be clearly defined;
- v. Not more than 20% of the eligible staff of a Scientific Establishment may be permitted to avail the provision at any given time. The host institute may engage temporary staff, if necessary, during the period for sustaining the activities;
- vi. Eligible staff member may utilize not more than 15% of his/her total service period during his career on mobility. This could be in small tranches subject to a minimum period of two months or at a stretch not exceeding two years;
- vii. The permitted staff member shall receive his/her salary from the parent organization. The accepting organization shall provide dislocation allowance of a minimum of 20% of his basic salary in addition to TA/DA. In case of mobility to Industry / SIRO, no such limits for dislocation allowance are prescribed and the staff will be permitted to retain such allowances;
- viii. In the case of mobility into Scientific Establishment from the industry / SIRO, the Scientific Establishment may pay competitive and consolidated remuneration. It will be decided by the Scientific Establishment on the basis of its location, experience of the incumbent and area of the proposed work. The Scientific Establishment may

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provide accommodation and charge for the same as per rules. The incumbents shall also be permitted to retain any payment on account of salary etc., from their parent organization;

- ix. The parent organization shall extend medical facilities to his / her family members retained at the parent organization, as applicable to other staff members in the same grade;
- x. During the period of mobility, the permitted staff member will be allowed to retain the accommodation on the same terms and conditions as are applicable to other staff in the same grade;
- xi. The mobility period shall be treated not only as period on duty but also be counted for all future benefits and assessments. Nonetheless the rigour of evaluation for professional advancement shall not be diluted;
- xii. The accepting Scientific Establishment / industry / SIRO must provide all logistic support to the person it accepts under the provision of mobility and to that extent a commitment from the accepting organization may be obtained;
- xiii. The scientist / engineer availing the mobility and the scientists / engineers of the accepting institution shall be encouraged to write joint project proposals for collaborative research and jointly guide the research students;

**3.4.6 Modification to the rules**

Modifications to these rules / operative provisions can be effected by the Scientific Establishment with the concurrence of the Administrative Ministry and the approval of the Governing Council / Board of the Scientific Establishment.

**3.5 Revenue Sharing Mechanism**

- i. In cases related to Autonomous Institutes revenue sharing model will be such as approved by their Governing Body/ Governing Council.
- ii. In cases related to Scientists working in the department the revenue sharing will be as approved by the Government on case to case basis.

**3.6 Disputes**

All disputes between the Scientist and the Scientific Establishment relating to the permission granted under these provisions / rules shall be settled by arbitration. Such disputes may be referred to Secretary, DBT as single arbitrator. The decision of the Arbitrator shall be final and binding on the parties. The arbitration proceedings shall take place in accordance with the Indian Arbitration and Conciliation Act 1996 and / or any subsequent amendment thereof. The place of arbitration shall be the office of the Secretary, DBT or any other place as chosen by the Secretary, DBT. The expenditure arising out of arbitration proceedings shall be equally shared by both parties. The language of arbitration shall be English.

**Application for seeking approval of the Scientific Establishment for investing in the equity stake of a Scientific Enterprise / spin off**

**1. Details of the Scientist:**

- i. Name:
- ii. Designation:
- iii. Division in which he or she currently working
- iv. Address for communication including Telephone, mobile, fax and email (office)
- v. Residential address including Telephone, mobile, fax and email

**2. Details of the Entity:**

- i. Registered name of the Entity:
- ii. Registration number and other details:
- iii. Registered Address of the Entity with telephone, mobile, fax and email
- iv. If the entity operating from another location other than the registered office please give details of the location and complete address including telephone, fax, mobile and email:
- v. Profile of the Entity including broad outline of the activities:
- vi. Business Plan of the Entity (enclose a copy):
- vii. Give brief details of Knowledgebase and where it is acquired (enclose a proof of acquisition):
- viii. Give details of the promoters including address with telephone, mobile, fax and email, brief back ground and their personal equity stake in the Entity:
- ix. Give details of the Board of Directors including address with telephone, mobile, fax and email, brief back ground and their personal equity stake, if any, in the Entity:
- x. Give details of the present functioning of the Entity including the name and contact details of the chief operating officer / Managing Director etc. In the event the Entity is yet to be established, give proposed functioning of the Entity and the role of the Scientist who is seeking to take an equity stake in the Entity:

**3. Details of Equity stake proposed to be acquired by the Scientist:**

- i. Face Value of each Equity:
- ii. Number of Equity shares to be acquired:
- iii. Total value of the stake in Rs.:
- iv. How is it proposed to finance:
- v. (in case the acquisition is in a phased manner, please indicate the phases and approximate number of shares in each phase)



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I shall not involve the Scientific Establishment name, without its express permission, in the matters pertaining to the Entity;

notwithstanding any permission granted to me, I shall not directly or indirectly associate myself:

- a) with any process to license knowledge base to the Scientific Enterprise
- b) with any process for the purchase or hiring of any goods and services from the Scientific Enterprise; and
- c) with the evaluation of any goods or services that compete with the goods or services of the Scientific Enterprise.

Signature \_\_\_\_\_

Name of the scientist \_\_\_\_\_

Witnesses( signature with complete address):

1. \_\_\_\_\_

2. \_\_\_\_\_

**Application for seeking approval of the Scientific Establishment for investing in the knowledgebase and / or support services as equity in the Company / Entity**

**1. Details of the Company / Entity:**

- i. Registered / proposed name of the Company / Entity:
- ii. Registration number and other details (in case to be registered give the likely time frame when it will be registered and where):
- iii. Registered Address of the Company / Entity with telephone, mobile, fax and email (in case to be registered Company / Entity give details of proposed address)
- iv. If the Company / Entity is operating from another location other than the registered office, please give details of the location and complete address including telephone, fax, mobile and email:
- v. Face Value of Equity share (in Rs.):
- vi. Authorized Equity capital of the Company / Entity (in Rs.):
- vii. Subscribed value of the Equity capital (in Rs.):
- viii. Give details of the promoters including address with telephone, mobile, fax and email, brief back ground and their individual equity stake in the Company / Entity:
- ix. Give details of the Board of Directors including address with telephone, mobile, fax and email, brief back ground and their individual equity stake, if any, in the Company / Entity:
- x. Give details of the present functioning of the Company / Entity including the name and contact details of the chief operating officer / Managing Director etc. In the event the Company / Entity is yet to be established, give proposed functioning of the Company / Entity:
- xi. Profile of the Company / Entity including broad outline of the activities or proposed activities:
- xii. In case of new start up, briefly outline the Business Plan of the Entity (also enclose a copy of Business plan):
- xiii. Give brief details of product range, in case of existing company and list the Knowledgebase it had acquired:

**2. R&D capacity of the Company / Entity:**

- i. Does the Company / Entity have a R&D unit                      yes                      No

**If yes, provide following information**

- ii. Has it been recognized by DSIR (if yes give details)
- iii. Give details of Staff strength
- iv. Give names of the staff having Ph.D. degree

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- v. R&D expenditure in the last 3 years
  - vi. List major R&D facilities
  - vii. Describe current R&D activities
  - viii. IP generated due to the R&D activities in the last 3 years
  - ix. Does the Company / Entity have expertise in translating the knowledgebase into product / process? If yes give details of two such examples:
  - x. Give current portfolio of IP:
- 3. Knowledgebase proposed to be acquired by the Company / Entity as equity:**
- i. Name of the knowledgebase
  - ii. Brief details of knowledgebase
  - iii. Brief plan of action for translating the knowledgebase into product / process

**(Questions to be answered by Scientific Establishment)**

- iv. Is the knowledgebase IP protected, if yes give details
  - v. Is a report on the knowledgebase available, give details?
  - vi. Who are the inventors of the knowledgebase, give names and percentage of their contribution?
  - vii. Please classify the knowledgebase as per the definition of knowledge base given in the section 2 of the main notification.
- 4. Support services proposed to be utilized in lieu of equity by the Company / Entity:**
- i. Please list the equipment / facilities proposed to be used by the Company / Entity and the likely time requirement per month and the period of requirement
  - ii. Please list any other services that the Company / Entity propose to use and give details

**5. Undertaking:**

In case the Scientific Establishment agrees to invest its knowledgebase and / or support services in the company, I \_\_\_\_\_, the authorized signatory of the company on behalf of the company solemnly resolve to undertake that:

- i. the Company / Entity shall have the nominee of the Scientific Establishment as non executive director on the Board of Directors;
- ii. the Company / Entity shall not use / involve the name of the Scientific Establishment without its express permission;
- iii. the Company / Entity shall make all reasonable efforts in translating the knowledgebase into a commercial product / process;
- iv. upon receiving communication from the Scientific Establishment of its willingness to invest knowledgebase as Equity, the Company / Entity shall pass a board resolution to that effect indicating the number of equity shares it would be allotting to the Scientific Establishment;



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**Department of Biotechnology**

- v. mere participation in the equity by the Scientific Establishment does not construe that the Company / Entity is part of the Scientific Establishment;
- vi. the Company / Entity shall not directly or indirectly influence the Scientific Establishment in purchase or hiring of any goods and services from the company;
- vii. the Company / Entity shall inform in advance the Scientific Establishment of any acquisition, merger or IPO.

**Signature of the Authorized Representative of the company**

**Name and designation** \_\_\_\_\_

**Witnesses (signature with complete address):**

1. \_\_\_\_\_

2. \_\_\_\_\_

**Company Seal**

**Appendix III**

**Application for seeking permission of the Scientific Establishment for utilizing the Mobility scheme**

**1. Details of the Scientist / Engineer:**

- i. Name:
- ii. Designation:
- iii. Division in which he or she currently working
- iv. Date of joining the Scientific Establishment
- v. Date of Superannuation
- vi. Address for communication including Telephone, mobile, fax and email (office)
- vii. Residential address including Telephone, mobile, fax and email
- viii. Proposed period of mobility: From ----- To -----
- ix. Give details of study leave / lien, if any used by the applicant
- x. Give details of the mobility used by the applicant

**2. Details of the Scientific Establishment where the applicant proposed mobility:**

- i. Name of the Scientific Establishment / Industry / SIRO:
- ii. Department / Division where the applicant proposes to work:
- iii. Address of the Scientific Establishment / industry / SIRO with telephone, mobile, fax and email
- iv. Brief profile of the Scientific Establishment and the division / department where the applicant proposes to work:
- v. Objective of the proposed mobility
- vi. Define the area of work and the benefits that are expected to accrue to the parent institution
- vii. Attach a acceptance letter from the Accepting Scientific Establishment / industry / SIRO
- viii. Details of remuneration being offered by the Accepting organization
- ix. Any other relevant information

**3. Associated information**

- i. Does the applicant wish to retain the official accommodation?
- ii. Does the applicant intend to utilize the medical facility (from the parent institute) for his family members

Signature of the applicant

Witnesses (signature with details)

1. \_\_\_\_\_

2. \_\_\_\_\_