

# **TIFAC-SIDBI Revolving Fund for Technology Innovation Programme**

## **सृजन (SRIJAN)**

### **GUIDELINES FOR PROJECT FUNDING**

The collaborative programme of TIFAC & SIDBI launched on November 01, 2010, aims at facilitating development and commercialization of innovative technology projects pertaining to new product / process / application development based on innovative technologies either developed indigenously or for adapting imported technology to wider domestic applications in order to encourage and promote innovation capabilities in industries and to bring high-risk innovations to the market for opening up opportunities to commercialize technology innovations.

#### **1. Who can apply:**

2.1 Commercial enterprises, Indian companies incorporated under Companies Act, 1956, / partnership firms are eligible to seek financial assistance from the Revolving Fund for the development and commercialization of technology-based product or processes.

2.2 If the project is for the commercialisation of technology, developed by a domestic R&D lab / academic institution / university, the enterprise should apply, along with an agreement signed with the technology know-how provider willing to transfer the technology. The technology know-how provider may be any one of the followings:

- National laboratory
- State laboratory
- Academic institution
- Co-operative Research Association
- Registered R&D Foundation/Trust/Society
- In-house R&D unit of industry
- Commercial R&D company
- Technical consultant

2.3 Start-up / incubating companies and/or technocrat-entrepreneurs holding the intellectual property or filed for patent for the developed technology, with or without any other partners (listed in 2.2 above), are also eligible to apply.

2.4 An Indian enterprise willing to adapt and commercialize an imported technology may apply for seeking financial assistance under the Revolving Fund subject to modifications in the technology for wider domestic applications or for indigenization of a technology developed through collaborative researches and is proven only at lab / semi-commercial scale.

### **3. Type of projects to be considered for funding where innovation is ingrained:**

- Commercialization of a new product / process / application developed through an indigenous technology
- Significant improvements / modifications in the existing product / process / application.
- Substantial upgradation in product quality, reduction of raw material consumption, reduction in process steps, reduction of energy consumption, reduction in GHG emission, reduction in cost, improvement in process efficiency and yield etc.
- Adaptation / modification in imported technology to make it suitable for wider domestic application.
- Indigenization of imported raw materials / components
- Design, development and commercialization of innovative products / processes / applications based on new / advanced / renewable materials.

### **4. Activities / expenditures to be covered under the total project cost:**

- Costs of technology know-how / licensing where “proof-of-concept” established at lab / semi-commercial stage and requiring substantial technology development for commercialization
- Construction / augmentation / modification of work shed required for the project implementation
- Design, fabrication and procurement of capital equipment, plants & machinery
- Procurement of testing and quality control equipment for evaluation of standards / quality of product, process or application
- Procurement of utilities and services required for commercial scale production
- Cost of raw materials for commissioning of plant for making products towards evaluation and initial marketing
- Field trials towards limited market development
- Cost of manpower required for the project implementation period

### **5. About the Scheme:**

- The Revolving Fund would provide development loan on soft terms & conditions.
- The development loan will be disbursed by SIDBI in installment(s) based on review of physical and financial progress of the project as per envisaged milestones as recommended by Project Review Committee.
- The duration of the project should not normally exceed 18 months.
- Each project proposal will be considered based on technical & financial merits and mere fulfillment of the guidelines shall not qualify for financial assistance.
- The assistance from the Revolving Fund will be limited to maximum 80% of the estimated approved project cost and the promoter has to contribute minimum 20% of the estimated approved project cost. The expenditure incurred by the promoter more than three months before the date of application shall not be considered as promoter's contribution
- The interest on loan shall be not more than five percent (5%) per annum (simple interest).
- Loan assistance would normally be not more than Rs.100 lakhs for each project.

- The loan, interest requires personal guarantees from the promoters. Primary security of moveable assets created or to be created under the project will be taken by way of hypothecation on first charge basis. Security of land / building of the assisted project may also be taken.
- The repayment of loan, together with interest shall commence within one year after the project completion and shall be repaid in five years.

## **6. Appraisal criteria:**

Project proposals will be evaluated based on their scientific, technological, commercial and financial merits. TIFAC will carry out the technical appraisal while SIDBI will do the financial appraisal of each proposal. The evaluation criteria will include:

- Innovation content, uniqueness, scientific and technological merits.
- Advantages / disadvantages of the proposed technology over the existing technologies
- Potential for wider replication, expected benefits and impact of the technology commercialization.
- Capability of the R&D institution(s) / academia / know-how partner.
- Organizational and commercial capability of the enterprise applying for the assistance and track record of the entrepreneur
- Technical feasibility and commercial viability of the proposed technology commercialization
- Justification of the proposed cost, duration and financing pattern.
- Relevance of the proposed objectives, reasonableness of the targets and mile-stones.
- The evaluation may include on-site visits, presentation of the proposal by the entrepreneur and discussions with appraisal committee.

## **7. Intellectual property:**

The disposition of intellectual property is a bilateral contractual matter between the technology know-how provider and the enterprise. However, in case the IPR is held by the enterprise and the enterprise will transfer / license the technology know-how to any other enterprise, any revenue that might accrue from such technology transfer / licensing would be shared in the proportion of contribution of the Revolving Fund and promoters into the project. This would be applicable only till the entire development loan along with accrued interests will be repaid by the enterprise to the Revolving Fund as per the agreed schedule of repayment.