

Guidelines for Technology Transfer and Utilization of Knowledgebase



**Technology Networking and Business Development Division
Council of Scientific & Industrial Research
Anusandhan Bhawan, Rafi Marg, New Delhi
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- 1. THESE GUIDELINES FOR TECHNOLOGY TRANSFER AND UTILIZATION OF KNOWLEDGEBASE ARE EFFECTIVE FROM 1ST JUNE 2005.**
- 2. FOR ALL MATTERS PERTAINING TO THESE GUIDELINES INCLUDING MARKETING OF IP, THE NODAL POINT AT CSIR HQRS IS THE TECHNOLOGY NETWORKING AND BUSINESS DEVELOPMENT DIVISION.**
- 3. THOSE ISSUES NOT COVERED IN THESE GUIDELINES, SHALL BE REFERRED TO DG, CSIR FOR DECISION.**
- 4. THESE GUIDELINES SUPERSEDE THE EARLIER GUIDELINES AND RELATED COMMUNICATIONS ISSUED ON THE SUBJECT.**
- 5. THIS DOCUMENT IS FOR INTERNAL USE ONLY AND NOT TO BE CIRCULATED / SHARED WITH OUTSIDERS / CLIENTS.**

CONTENTS

	Page No.
1. Contract R&D	1
2. Consultancy	11
3. Licensing of Intellectual Property	18
4. Licensing of Knowledgebase	23
5. Technical Services	30
6. Exploitation of Knowledgebase by Foreign Clients	34
7. Sharing of monies realized with staff	38
8. Procedure for sharing of monies with staff	41
9. Engagement of Technical and Business Development Consultants	45
10. CSIR scientists to be members on the Board of Directors of private sector companies	49
11. Establishing of Business & Marketing entities by CSIR laboratories	50
12. Deputation of scientists along with the knowledgebase released to industry	51
13. Annexure	

1. CONTRACT R&D

1.1 Definitions and Scope

Contract R&D shall comprise all R&D undertaken and executed under specific contractual arrangements agreed upon for the purpose. The projects to be undertaken should fall within the purview of approved research areas of the laboratory. Contract research shall cover:

* **Sponsored R&D:** Projects wholly funded by the client having specified R&D objectives, and well defined expected project output/results, generally culminating in generation of intellectual property/knowledgebase. Sponsored R&D shall also cover process design and engineering, process modeling and simulation, application of computational methods, development of software etc. Sponsored projects could also be multi-client, with two or more sponsors sharing the project funding and research outputs.

* **Collaborative / Cooperative R&D:** Projects partially funded by the client, and/or supplemented by provision of inputs such as expert manpower, engineering, production/ fabrication of product in bulk for testing/ trials, creation of infrastructural facilities or other inputs etc. These could be in the advanced areas of research, for upscaling/proving of laboratory level know-how, technology development or generation of intellectual property etc. Depending on the nature of the projects, the expected project output/results could be defined. These projects could also be multi-client, with two or more parties sharing the project funding and research outputs.

* **Grant-in-aid R&D :** Projects involving a grant by way of financial inputs, either in full or in part, assistance in kind e.g. equipment, training etc. to supplement laboratory efforts in ongoing or new R&D projects or for creating new capabilities/facilities. Generally, the laboratory seeks or requests for grant-in-aid support/funding from different agencies including government departments, international bodies etc. Thus, grant-in-aid projects are normally for supporting basic or exploratory R&D, surveys or for maintaining large / nationally important R&D groups, for generating databases, sophisticated equipment for testing and infrastructural facilities.

1.2 Approvals

1.2.1 For Projects

Competent Authority	Projects
Director	: upto Rs.20 lakh ; grant-in-aid projects upto Rs. 50.00 lakh;
Management Council	: Beyond the power of Director
DG, CSIR	: a) Involving: - foreign clients - multi laboratory inputs b) taken up/coordinated by staff at CSIR Hqrs

The project proposals shall be placed before the Competent Authority for consideration and approval in the prescribed proforma (Annexure I). The Competent Authority shall also have the powers to approve the terms and conditions for licensing the intellectual property/knowledgebase resulting from contract research to the client. In case of foreign clients, the laboratory would also submit the proposal/specific project under the agreement for security and sensitivity clearance in the prescribed format.

1.2.2 Contracts (legal agreements)

Competent Authority	Contracts
Director	: drawn up substantially as per the 'model agreement' supplied by CSIR Hqrs
DG, CSIR	: a) largely deviating from the model agreement b) with foreign clients or multi-laboratory projects c) projects initiated / co-ordinated by CSIR Hqrs d) projects taken up by staff at CSIR Hqrs

Projects to be taken up by staff at CSIR Hqrs are to be routed through TNBD Division for seeking necessary approvals.

1.3 Authorized signatories to contracts

The authorized signatories in the laboratories for all contracts/ agreements may be chosen amongst the following: Head, Business Development Group/Head, PME/Senior Controller of Administration/ COA/AO. For multi-laboratory projects, the signatories shall be the designated officers of the co-ordinating laboratory. For the contracts/agreements of the CSIR Hqrs, the signing authorities may be chosen amongst the following: Head, Business Development Group/concerned division's

Under Secretary/ Under Secretary or Deputy Secretary of Central Office. Exceptions, however, can be made with the specific approval of Director and DG, CSIR in the case of laboratory and CSIR Hqrs respectively.

1.4 Financial Aspects

1.4.1 Costing of contract research project¹

The charges for contract research project shall comprise of three main components as under :

1.4.1(i) Direct expenses

- a) Cost of (i) man-days of CSIR staff deployed and (ii) temporary project staff deployed;
- b) Cost of consumables/raw materials/components with 25% overheads;
- c) Cost of physical inputs/services/utilities with 25% overheads;
- d) Equipment usage cost/ cost of equipment procured specifically for the project, if any;
- e) TA/DA;
- f) Contingencies including external payment envisaged e.g. for hiring infrastructural facilities, experts, computer time, information etc;
- g) Others (if any).

Total direct expenses = Sum of i(a) to i(g) above

1.4.1(ii) Intellectual fee: To be decided by the Competent Authority (minimum of 40% of total expenses)

Project Charges = Total direct expenses + intellectual fee
i.e. (i + ii) above

1.4.1 (iii) Service Tax

For the contract R&D except grant-in-aid taken up on or after 10.9.2004, the charges shall include an additional component for payment of service tax. Service tax shall be charged as applicable on the date of receipt of payment. The current rate of Service Tax is 10.2% inclusive of educational cess.

¹ Note:

In case the contract research is to lead to generation of intellectual property/knowledgebase, provision and charges for licensing the use of intellectual property/knowledgebase to the client should be additionally (clearly) specified (see chapter 3).

Collaborative / cooperative R&D is a joint endeavour. Thus while costing CSIR's inputs for such projects, the intellectual fee should be included in notional project charges. As the client may bear only a part of the CSIR project expenses, the laboratory should endeavour to ensure that the balance of project charges are recovered through licensing the R&D results/intellectual property to the collaborator/third parties.

The total charges for the contract R&D to a client shall be as follows:

- (a) Total direct expenses [1.4.1 (i)]
- (b) Intellectual fee [1.4.2(ii)]
Project charges = (a+b)
- (c) Service tax calculated at 10.2% of (a+b) above
- (d) Total charges to be obtained from the client = (a+b+c) above

Payment of service tax is to be made as per OM No. 9/2003/2001 dt. 8.8.2001.

1.4.1 (iv) Exception to full funding for sponsored R&D could be made with the approval of Competent Authority for specific nationally relevant projects related to Defence, Health, Social Welfare and the like.

1.4.1 (v) Grant-in-aid projects are meant to supplement laboratory efforts in ongoing or new R&D activities or for creating new capabilities/facilities. Generally, the granting agencies have their own set of norms for funding such projects based on the recommendations of their specially constituted committee. Therefore, these projects may not follow the above costing norms for contract R&D. In any case intellectual fee part is not applicable.

1.4.2 Explanation

1.4.2(i) Expenses

- a) Manday costs: Is the charge for time (in days) of S&T staff deployed on the contract research as per prescribed manday rates for different category of staff (Annexure II). In case of the temporary staff deployed the actual cost with 40% overheads will be charged.
- b) Cost of consumables/ raw materials/ components: Comprise chemicals, glasswares, stationery, raw materials, components and other stores items required for the project and should be charged at 100% cost plus overheads @ 25% of the cost (towards expenses for purchase, storage, handling etc.).
- c) Cost of physical inputs/ utilities/ services: Comprise water, steam, gas(es), electricity, workshop, drawing office etc. required for the project and should be charged at 100% cost plus overheads @ 25% of the cost (towards installation, maintenance etc.).
- d) Equipment Usage²:
 - Existing Equipment: It is to be charged on pro-rata based on an annual usage charge upto 20% of cost of equipment and installation. In case of old equipment where its cost cannot be readily ascertained this component of costing could be decided by the Competent Authority.

² Note:

In case the client seeks to gift the equipment to the laboratory a clear and unambiguous letter stating that the gift is without any conditions or attachments should be obtained from the client.

In case the equipment is considered to be useful for the laboratory it may be purchased from the client at a price not higher than the depreciated value of the equipment.

- New Equipment: The new equipment shall either be provided by the client at his cost as per the specifications given by the laboratory or purchased by the laboratory and charged to the client with an additional procurement and handling charges of 5% of the cost of equipment.
- e) TA/DA: Comprises payments on travel and daily allowances of CSIR staff visiting/travelling for the work related to the contract research project. In this regard the following guidelines approved by the Governing Body of CSIR in its 109th meeting held on August 8th, 1986 and 132nd of May 6th 1992 shall apply;
 - All employees of the same status should be treated equally in the matter of TA/DA, irrespective of the source of the funds. Thus, TA/DA at CSIR rates only shall apply. However in exceptional cases, the actual expenses incurred by the staff could be reimbursed with the prior approval of the Director;
 - Client's hospitality, wherever available, may be accepted by the CSIR employees at their discretion subject to payment of DA being limited to 25% in the event of both boarding and lodging provided free, or 50% if only either boarding or lodging is provided free by the client;
 - Air-travel may be allowed to non-entitled staff by the Director or the authorized officers, as per applicable rules, on functional basis and if it is expedient to do so in the project interest; and
 - The laboratory should recover from the client at least the actual expenditure incurred by it on TA/DA paid to its staff deputed for work relating to the contract research project.
- f) Contingencies: Provides for external payments as well as any unforeseen expenditure likely to be incurred on the project. The external payment could be towards hiring by the laboratory, of outside infrastructural facilities, experts, computer time, information etc., to supplement its expertise/facilities. This would depend on the specific project. However, estimates of contingency charges at 5 to 10 % of total project costs are normal, besides external payments on actual basis.

1.4.2(ii) Intellectual Fee:

This reflects charges for CSIR investment over a period of time, in building up and sustaining the extant level of expertise, knowledgebase and facilities. Intellectual fee to be charged should therefore be commensurate with quantum and quality of CSIR's resource inputs and also the likely benefits to be derived by the client on implementation of the project results. There are variety of ways to estimate and link the intellectual fees to project parameters, such as expenses on manpower, inputs etc. Whatever be the method of estimating the intellectual fees these should in no case be less than 40% of the total expenses (see para 1.4.1(i)) excluding the cost of equipment and other capital investments at the cost of the client. For tiny, cottage and small scale units (as per government definition), the minimum intellectual fee could be waived with the approval of the Competent Authority.

1.4.2 (iii) Service Tax

The Finance Act 2004 has brought most of the client related R&D activities under the purview of Service Tax. The laboratories/institutes may therefore charge service tax for all categories of projects/services rendered except for Grant-in-aid projects. Thus, the total charges for an assignment shall include an additional component for payment of Service Tax, which will be charged separately. The Service Tax shall be charged as applicable on the date of receipt of payment. The current rate of Service Tax is 10% w.e.f. 10.09.2004. Additionally, 2% education cess has been added on Service Tax thereby making the effective Service Tax rate at 10.2 % w.e.f. 10.09.2004.

The laboratories are responsible for obtaining: (i) the registration from Superintendent of Central Excise (Form ST-1), Office of the Commissioner of Central Excise (ii) collection and payment of the Service Tax in the prescribed manner and (iii) timely filing of the applicable tax returns (Form ST-3). The payment of Service Tax is to be debited to the project account.

1.4.3 Charging for Inter laboratory Contract R&D

In case of contract research undertaken by one CSIR laboratory for another, two possibilities arise i.e.,

- i. CSIR in-house and publicly funded projects: In such cases only the actual project expenses and no intellectual fee shall be charged from the sister laboratory; and
- ii. Externally funded projects, which include an intellectual fee: In such cases in addition to project expenses, intellectual fees can be charged.

1.4.4 Terms of payment

The laboratory shall obtain an advance of not less than 25% of the project cost on or before signing the agreement and the balance in installments linked to suitable milestones/deliverables as defined in the project/agreement. However, in case of projects from government departments/ agencies, public sector enterprises etc. and projects secured against open tenders, the terms of payment may be as per the mutual agreement.

1.5 Research Output

1.5.1 Publications

The client shall be consulted prior to publishing of any research results arising from the contract research work. The publications shall duly acknowledge the inputs of the client.

1.5.2 Intellectual Property (IP) / Knowledgebase

i. Sponsored R&D

The ownership of the intellectual property and/or knowledgebase generated shall be negotiated and decided between the parties and shall be explicitly stated in the contract. The ownership could be of CSIR or client or joint. Obtaining and maintaining the relevant intellectual property rights shall correspondingly be the

responsibility of CSIR or client or joint. In case where the ownership of intellectual property is fully provided to client, the laboratory/institute shall ensure suitable compensation in the form of additional payments in Intellectual fee or premia and/or recurring royalty. In case of joint ownership the responsibilities and obligations as also territory of operation of each party shall be clearly defined. The decision, whether or not an intellectual property right be obtained, shall be mutually decided failing which by the Director of the laboratory, whose decision shall be final and binding.

ii. Collaborative /Cooperative R&D

Intellectual property and/or knowledgebase generated through projects with technical contribution from the collaborator(s), shall be jointly owned. Obtaining and maintaining the relevant intellectual property shall be the responsibility of CSIR. The expenses for obtaining and maintaining the intellectual property rights shall be borne equally by CSIR and the collaborator(s). The decision whether or not intellectual property rights be secured shall be taken jointly by the Director of the Laboratory and the collaborator(s).

iii. Grant-in-aid

Intellectual property and/or knowledgebase rights in case of government departments and agencies may be as per their standard terms and conditions. However, where the grantor has no standard conditions and for the non-government agencies, ownership rights shall be that of CSIR.

1.6 Licensing of Intellectual Property/Knowledgebase

1.6.1 Sponsored Research

- i. The rights of licensing intellectual property and/or knowledgebase shall rest with CSIR, where the ownership lies with CSIR.
- ii. The sponsor shall be given the first right for commercial exploitation of intellectual property and/or knowledgebase. However, this right shall be exercised by a written communication to the laboratory within a pre-specified period of time as defined in the contract commencing from the receipt of final report. In the event the sponsor fails to exercise his option within the specified period, or having done so fails to commercially exploit the intellectual property within the stipulated time-frame, CSIR shall be free to license the intellectual property and/or knowledgebase to third parties and the money accruing therefrom shall be shared equally between CSIR and sponsor with a ceiling on the sponsor's share equal to the amount the sponsor had paid to CSIR as sponsorship charges.
- iii. Wherever feasible the sponsor shall be given a non- exclusive license failing which an exclusive license for a limited period of time for commercial exploitation of the intellectual property and/or knowledgebase. In specific cases exclusivity till the validity of patent can also be given with the approval of Competent Authority.
- iv. For the license granted for commercial exploitation of the intellectual property and/or knowledgebase to the sponsor, CSIR shall charge an adequate amount as license fee. This could be a lumpsum and/ or a recurring royalty.

- v. CSIR shall have the right to license the intellectual property and/or knowledgebase to any other party on the terms and conditions it may decide in case where it has granted non-exclusive or limited exclusivity license upon expiry of the exclusivity period. In such cases, if the licensing of intellectual property and/or knowledgebase is only by CSIR, the money realized by CSIR is not distributable with the sponsor. However, if the licensing by CSIR is with assistance of the sponsor, then the money realized shall be shared with sponsor on mutually agreed basis.
- vi. Notwithstanding the exclusive license granted to the sponsor, CSIR shall have the right to license the intellectual property during the period of licence if Government of India desires CSIR to disclose the intellectual property for its use in India in national interest. In such cases the money accruing therefrom shall be shared equally between the sponsor and CSIR on a mutually agreed basis.

1.6.2 Collaborative Research

- i. The rights of licensing of intellectual property and/or knowledgebase shall be jointly held by CSIR and the collaborator.
- ii. The collaborator shall have the first right for commercial exploitation of intellectual property and/or knowledgebase. However, the right shall be exercised by the collaborator by a written communication to the laboratory within a pre-specified period of time as defined in the contract commencing from the receipt of final report. In such a case the intellectual property and/or knowledgebase shall be licensed to the collaborator for exploitation, on terms to be mutually decided between CSIR and the collaborator.
- iii. In the event the collaborator fails to exercise the option or fails to commercially exploit the intellectual property and/or knowledgebase within the pre-specified period as defined in the contract, CSIR shall have the right to license the intellectual property to others on terms to be mutually decided between collaborator and CSIR.
- iii. Wherever feasible the collaborator shall be given a non-exclusive license, failing which, an exclusive license for a limited period of time for commercial exploitation of the intellectual property. In specific cases exclusivity till the validity of patent can also be given with the approval of Competent Authority. The intellectual property and/or knowledgebase can be licensed to others by CSIR on terms and conditions to be mutually agreed to between the CSIR and the collaborator in case of non-exclusive license granted; whereas for limited period exclusive license it will be upon expiry of the exclusivity period. In such cases the monies accruing shall be shared between CSIR and the collaborator on a mutually agreed basis.
- vi. Notwithstanding the exclusive license granted to the collaborator, CSIR shall have the right to license the intellectual property, during the period of exclusivity if Government of India desires CSIR to disclose the intellectual property for its own use. In such cases the monies accruing shall be shared between CSIR and the collaborator on a mutually agreed basis.

1.6.3 Grant-in-aid Projects

Licensing rights of intellectual property in case of government departments and agencies may be as per their standard terms and conditions. However, cases where the grantor has no standard conditions and for non-government agencies, licensing rights shall be that of CSIR. It could also follow the guidelines provided in 1.6.1 and 1.6.2, except for sharing of monies with funding agencies.

1.7 Indemnity/Liability

The liability, if any, for CSIR arising out of or in connection with contract research/ IP and/or knowledgebase licensing shall be subject to a ceiling of the amount received by CSIR from the client for the Contract Research/ IP and/or knowledgebase licensing.

1.8 Ownership of Prototype/Products

The ownership of prototypes/products that may be produced during contract research shall normally be the property of the sponsor for sponsored R&D, for collaborative / cooperative R&D projects the ownership shall be specifically agreed upon between CSIR and the collaborator/grantor and so included and specified in the agreement. In case of grant-in-aid, it shall belong to CSIR, unless otherwise stated. Ownership of all equipment purchased under the project shall belong to CSIR, after one year from the closure of the project.

1.9 Foreclosure of the projects

In the event a project requires foreclosure, the project leader shall submit a comprehensive proposal stating the reasons for foreclosure to the Competent Authority. Based on the proposal Head, BD/ Head, PME shall prepare a comprehensive note including financial statement for the approval of management council.

1.10 Deferment of Installments

If due to technical reasons, the laboratory is unable to meet its obligations to achieve the agreed milestones as per the agreement/contract, the laboratory may defer receipt of payment of subsequent installment(s) from client till such time that it meets with its stipulated obligation. In such cases, where a deferment of subsequent installment(s) is to be affected, the laboratory shall place the proposal, clearly stating the reasons for non-fulfillment of obligations of the management council for approval.

1.11 Write-off of unrecoverable dues

In the event there are unrecoverable dues relating to premia/royalty/installments from industry, the Head, Business Development Group/Head, PME shall prepare a comprehensive proposal stating the reasons for short-receipts of dues to the competent authority. The competent authority shall in turn constitute a write-off committee comprising a senior scientist of the laboratory as chairman, Head Business Development Group or Head/PME as convenor, COA and SFAO as permanent members and one scientist as member. The committee recommendations shall be placed before management council for approval.

1.12 Feedback to Hqrs

Copies of all project agreements entered into by laboratories shall be sent to Technology Networking and Business Development Division (TNBD) at Hqrs within one month of the signing of the agreement.

Information on all contract research projects shall be provided to TNBD as part of the 'Research Utilization Data' being sent by laboratories once every three months. Information shall be furnished vide item III of proforma at Annexure - III.

2. CONSULTANCY

2.1 Definition and scope

All consultancy services in CSIR shall be institutional. Consultancy shall be in an area of expertise of the laboratory, preferably its thrust areas.

The consultancy shall comprise scientific, technical, engineering or other professional advice / assistance based on the available knowledgebase / expertise of the laboratory, and envisaging only minimum use of laboratory facilities for essential experimentation and computation to meet the objectives of the consultancy assignment. It may *interalia* cover:

- Scientific, technical, engineering or other professional advice provided to a client;
- Literature survey and preparation of feasibility studies, technology forecasting/ evaluation reports etc.;
- Interpretation of test results and data provided by the client;
- Risk and hazard/ environment impact analysis, pollution abatement/ control measures etc.;
- Assistance in erection, commissioning, operation, troubleshooting, productivity improvements, energy conservation, waste utilisation, etc.;
- Customized human resource development programme either at the laboratory or at client's location¹. (These are specially tailored training programmes to suite customer needs, undertaken by laboratories either on their own or at specific request of clients); and
- Technical advice² such as troubleshooting, problem resolving, quality control etc.

2.1.1 The laboratory has to ensure that attention is not diverted from its R&D as well as other activities to consultancy. A proper balance of the manpower and other resources of the laboratory to be deployed between R&D activities, consultancy and technical services should be decided by the Management Council.

¹ **Note:** Usually the charges per participant adequately cover expenses and intellectual fees. Such training programme could be a significant source of external cash flow, especially those arranged for international organizations/agencies.

² **Note:** Technical advise shall involve one time assistance mainly advisory in nature to help in trouble shooting, problem solving, quality control etc.

2.2 Approvals

2.2.1 For Projects

Competent Authority	Projects
Director	: upto Rs. 5 lakh and not involving the Director or Director level scientist as the sole consultant
Management Council	: outside the powers of the Director and those requiring approval of DG,CSIR
DG, CSIR	: a) involving the Director or a Director level Scientist as the sole consultant b) for foreign clients c) taken up or coordinated by CSIR Hqrs

The project proposal will be placed before the Competent Authority for consideration and approval in the prescribed proforma (Annexure-IV).

2.2.2 For Contracts

Competent Authority	Contracts
Director	: drawn up substantially as per the model agreement of the CSIR
DG, CSIR	: a) largely deviating from the model agreement b) with foreign clients or multi laboratory projects c) for projects taken up/ coordinated by CSIR Hqrs

For contracts costing less than Rs. 1 lakh, no formal agreement is necessary and only exchange of letters clearly stating the advice to be rendered, CSIR's obligations and the terms of payment.

2.3 Authorized signatories to contracts

The authorized signatories in the laboratories for all contracts/ agreements may be chosen amongst the following: Head, Business Development Group/ Head, PME/ Senior Controller of Administration/ COA/AO. For multi-laboratory projects, the signatories shall be the designated officers of the co-ordinating laboratory. For the contracts/agreements of the CSIR Hqrs, the signing authorities may be chosen amongst the following: Head, Business Development Group/ concerned division's Under Secretary/ Under Secretary or Deputy Secretary of Central Office. Exceptions, however, can be made with the specific approval of Director and DG, CSIR in the case of laboratory and CSIR Hqrs respectively.

2.4 Financial aspects

2.4.1 Costing of Consultancy Project

The charges for consultancy project shall comprise of three main components viz.:

2.4.1(i) Direct Expenses¹

- a) cost of man-days of staff deployed
- b) cost of physical inputs /services /utilities / consumables raw materials/ components (if any) with 25% overheads
- c) Equipment usage cost
- d) TA/DA
- e) Contingencies and external payments envisaged e.g. to outside consultants, for procuring data, hiring of infrastructural facilities etc.
- f) Other (if any)

Total direct expenses = sum of [(a) to (f)]

2.4.1(ii) Intellectual Fee

To be decided by the authority competent to approve the project [minimum equal to manpower charges i.e. i(a)].

Project Charges = Total direct expenses + Intellectual fee
i.e. (i) + (ii) above

2.4.1(iii) Service Tax

For the consultancy projects taken up on or after 1st October, 2001, the charges of consultancy project shall include an additional component for payment of service tax, which shall be charged as applicable on the date of receipt of payment. .

The total consultancy charges to a client shall thus be as follows:

- (a) Total Expenses [2.4.1(i)]
- (b) Intellectual fee [2.4.1(ii)]
Project charges = (a+b)
- (c) Service tax calculated at the applicable rates of (a+b) = c
- (d) Total consultancy charges to be obtained from client = (a+b+c) above

2.4.2 Explanation

2.4.2(i) Expenses

Costing of various elements/components contributing to the expenses of the consultancy project shall be similar to that of Contract R&D (Reference Chapter 1, para 1.4.2).

¹**Note:** It is feasible to make realistic estimates of inputs for a consultancy project. Thus the initial estimates should be worked out with due care and diligence. Record of deployment of resources for a consultancy project, especially the manpower, should be separately and carefully maintained and the resources deployed should by and large be in conformity with the approved estimates.

2.4.2(ii) Intellectual Fee

This reflects charges for CSIR investment over a period of time in building and sustaining the extant level of expertise, knowledgebase and facilities. Intellectual fee to be charged should therefore be commensurate with quantum and quality of CSIR's resource inputs and also the likely benefits to be derived by the client on implementation of the project results. There are variety of ways to estimate and link the intellectual fee to project parameters, such as expenses on manpower inputs etc. While there is no ceiling on the upper limit of the intellectual fee to be charged, it should in no case be less than the estimated manpower charges, except in cases of consultancy offered against open tenders, where the intellectual fee could be decided by the Competent Authority keeping in view the potential competition.

For small scale units (as per extant government definition), the minimum intellectual fee chargeable could be 30-50% of the estimated manpower charges. Voluntary/ cooperative agencies and cottage/ village scale units in deserving cases, could be considered for further concessions in intellectual fee. The projects envisaging concession should be cost normally and the extent of concession in the intellectual fee may be decided by the authority, competent to approve the project. However, reasons justifying the concession should be specifically indicated in the project proposal, put up for approval.

2.4.2(iii) Service Tax

The Finance Act 2004 has brought most of the client related R&D activities under the purview of Service Tax. The laboratories/institutes may therefore charge service tax for all categories of projects/services rendered except for Grant-in-aid projects. Thus the total charges for an assignment shall include an additional component for payment of Service Tax, which will be charged separately. The Service Tax shall be charged as applicable on the date of receipt of payment. The current rate of Service Tax is 10% w.e.f. 10.09.2004. Additionally, 2% education cess has been added on Service Tax thereby making the effective Service Tax rate 10.2 % w.e.f. 10.09.2004.

The laboratories are responsible for obtaining: (i) the registration from Superintendent of Central Excise (Form ST-1), Office of the Commissioner of Central Excise (ii) collection and payment of the Service Tax, in the prescribed manner and (iii) timely filing of the applicable tax returns (Form ST-3). The payment of Service Tax is to be debited to the project account.

2.4.3 Charges for Inter-laboratory consultancy

In case of consultancy taken up by one CSIR laboratory for another, two possibilities arise, i.e.,

- i. When the consultancy is for an In-house CSIR project: In such cases only direct expenses excluding overheads shall be charged. No intellectual fee shall be payable.
- ii. When the consultancy is for an externally funded project, which includes an intellectual fee: in addition to total expenses, intellectual fee can be charged.

2.4.4 Terms of payment

The laboratory shall endeavour to obtain an advance of maximum percentage, which should not be less than 50% of project charges on or before signing the agreement. The balance amount of payment could be availed of in installments, to be negotiated with the client and linked to the project milestones. However, in cases covered under clauses 2.7.3, 2.7.4 and consultancy assignment offered against open tender it might not be necessary to insist on the above terms of payment.

2.5 Multi-Laboratory projects

The terms and conditions and the contracts for consultancy projects for multi-laboratory shall be decided on case-to-case basis in consultation with TNBD , Hqrs.

2.6 Indemnity/Liability

The liability, if any, for CSIR arising out of or in connection with Consultancy Services shall be subject to a ceiling of the amount received by CSIR from the Party for the Consultancy.

2.7 General aspects

2.7.1 Contractual obligations of a consultancy project shall be that of CSIR. Agreements with clients will thus be executed, on behalf of CSIR by the laboratory and not by an individual consultant or team of consultants. Every care should be taken to avoid any legal complications involving the laboratory/CSIR as a result of the consultancy service.

2.7.2 For consultancy services of a minor nature, formal agreement on a stamp paper may be dispensed with and the terms and conditions of consultancy settled through exchange of letters. In case the Director feels that an agreement would be technically and legally useful, the party may be asked to enter into a legal agreement. The terms and conditions should include a disclaimer on responsibility of the laboratory for the advice /recommendations given in the consultancy.

2.7.3 In the case of consultancy service rendered to Government Departments/Agencies, Public Sector Undertakings, the terms and conditions including payment schedules may be settled through exchange of letters. In such cases, formal agreement on non-judicial paper may not be necessary.

2.7.4 CSIR is often called upon to carry out investigational jobs by Government agencies, Courts of Law, Statutory Authorities etc. These jobs may need to be undertaken on an urgent basis and in such cases laboratories shall not, subject to acceptance of payment and other terms by the client in writing, insist on advance instalment of payment.

2.7.5 The staff involvement for each consultancy project shall be approved by the Director /Management Council as the case may be. While assigning the consultancy job to a staff member, due cognizance shall be taken of his /her workload, qualifications and experience vis-a-vis the specific requirements of the consultancy job, honorarium likely to accrue to him /her from consultancy etc.

2.7.6 As far as possible, the 'team of consultants' selected for consultancy work should have the confidence of the client. In case the client indicates preference for a particular person or persons, the request shall be given due consideration.

2.7.7 Laboratories should, on the whole ensure a fair distribution of consultancy work among the eligible staff at all levels and ensure that it is not confined to specific individuals /groups /levels of staff.

2.7.8 Consultancy assignment costing less than Rs.50,000/- should not in general be encouraged. Exceptions, in deserving cases judged by the importance/necessity of assistance to client/service sought, may be made at the discretion of the Director of the laboratory.

2.7.9 The total number of days devoted by staff member to consultancy work should not exceed 50 mandays in a financial year.

2.7.10 A copy of the project report for all consultancies undertaken shall be retained for record purposes, with the Director of the laboratory, except those which are purely advisory in nature and where no project report is required to be submitted to the client. In such cases, a brief note on the consultancy rendered should be submitted to the Director of laboratory for records.

2.7.11 Foreclosure of the projects

In the event a project requires foreclosure, the project leader shall submit a comprehensive proposal stating the reasons for foreclosure, to the Competent Authority. Based on the proposal, Head, BD/ Head, PME shall prepare a comprehensive note including financial statement for the approval of management council.

2.7.12 Deferment of Installments

If due to technical reasons, the laboratory is unable to meet its obligations to achieve the agreed milestones as per the agreement/contract, the laboratory may defer receipt of payment of subsequent installment(s) from client till such time that it meets with its stipulated obligation. In such cases, where a deferment of subsequent installment(s) is to be affected, the laboratory shall place the proposal, clearly stating the reasons for non-fulfillment of obligations to management council for approval.

2.7.13 Write-off of unrecoverable dues

In the event there are unrecoverable dues relating to premia/royalty/installments from industry, the Head, Business Development Group/Head, PME shall prepare a comprehensive proposal stating the reasons for short-receipts of dues to the competent authority. The competent authority shall intern constitute a write-off committee comprising a senior scientist of the laboratory as chairman, Head Business Development Group as convenor, COA and SFAO as permanent members as one scientist as member. The committee recommendations shall be placed before management council for approval.

2.8 Feedback to Hqrs

Information on all consultancy projects shall be provided to Technology Networking and Business Development Division (TNBD) at Hqrs, as a part of the 'Research Utilisation Data' being sent once every three months. Information shall be furnished vide item IV of proforma at Annexure - III.

3. LICENSING OF INTELLECTUAL PROPERTY

3.1 Definition

The term 'Intellectual Property' shall include patents, copyright, trademark, design and computer software.

3.2 Types of Intellectual Property

Intellectual Property generated by CSIR is of two types:

3.2.1 Unencumbered

- i. Developed through wholly in-house R&D programmes / projects. In such case ownership of intellectual property is solely that of CSIR, and consequently the licensing rights are that of CSIR alone.
- ii. Intellectual property developed through contract research and subsequently rendered unencumbered as per the contractual arrangements with the client. In such cases licensing of intellectual property by CSIR would be in accordance with the terms and conditions agreed upon for third party licensing in the contract.

3.2.2 Encumbered

Developed through contract research i.e. with total or partial financial support, and with/without technical inputs from users/clients. In such cases ownership and licensing of intellectual property for commercial utilisation shall be governed by CSIR's obligations to client in the matter and guided by the terms and conditions of legal agreements. (Please see chapter 1, para 1.6).

3.3 Licensing of Intellectual Property

3.3.1 Definition

Licensing of intellectual property shall mean granting the licensee the right to further develop the intellectual property or to utilize the intellectual property to make the resulting product(s) either for commercial/captive purpose or as otherwise agreed to.

3.3.2 Method of Licensing

Licensing of intellectual property shall be through specific contractual arrangements. For transfer of intellectual property through supply of drawings, designs, software etc. licensing can be done through implied contractual agreement with no liabilities on CSIR.

3.3.3 Channel of Licensing and associated ownership rights

Laboratories would be free to choose the channel of licensing/commercial utilisation of all unencumbered intellectual property generated, which could be either directly by the laboratory themselves or through any other Technology Transfer Agency (TTA) or Business Consultants etc. Requisite approvals as per prevailing guidelines would be necessary in each case of licensing of intellectual property.

3.3.3(a) Direct Licensing by laboratory

Intellectual property that can be licensed directly by the laboratory comprise:

- i. unencumbered intellectual property developed through wholly in-house R&D programmes/projects ,
- ii. all encumbered intellectual property developed under contract R&D and subsequently rendered unencumbered (ref. chapter 1, para 1.6).

Laboratories should clearly specify in the agreement their obligations and extent of commitments to the licensee(s) in each case.

Licensing of unencumbered intellectual property could be either on non-exclusive or limited period exclusive or exclusive basis depending upon the nature of IP. Where client insist on assignment of the IP, it could also be considered on case-to-case basis with the approval of competent authority.

3.3.3(b) Licensing of intellectual property through TTAs/Business Consultants

Only unencumbered intellectual property can be licensed through TTAs/Business Consultants. The ownership rights of all intellectual property to be licensed through TTAs/Business Consultants shall vest with the CSIR, while the TTAs/Business Consultants shall be offered only the rights to market the specific intellectual property. CSIR liabilities if any, from licensing of intellectual property in all these cases shall be subject to a ceiling of the amount it receives for the same.

Licensing through TTAs/Business Consultants shall be through formal contractual agreement, clearly specifying the rights and obligations of CSIR and the TTAs/Business Consultants as also the terms and conditions governing the marketing/licensing of the intellectual property by them.

3.4 Post licensing aspects

3.4.1 Review of Intellectual Property licensed

Annual review of intellectual property licensed including follow-up with the licensee, shall be conducted by the laboratory (in association with TTA/Business Consultant as applicable) to assess its utilisation status. Any change in terms /conditions of its licensing can then be considered.

3.4.2 Collection of Monies

Laboratories are responsible for prompt collection of monies accrued through licensing of intellectual property directly by them and through TTAs/Business Consultants. They must thus evolve a proper mechanism for collecting and monitoring the accrual and realisation of such monies including annual review of outstanding dues.

3.5 Indemnity/Liability

The liability, if any, for CSIR arising out of or in connection with IPR licensing shall be subject to a ceiling of the amount received by CSIR from the licensee for the IPR licensing.

3.6 Financial aspects

3.6.1 Pricing

There is no rigid formula for determining the price of intellectual property and thus estimates vary from case to case. However, the following factors shall enable the laboratory to arrive at the cost of IP:

- a) cost of development which includes estimated cost of:
 - (i) S&T Manpower deployed on the project (as per prescribed rates).
 - (ii) Raw materials, consumable components etc. with 25% overheads.
 - (iii) Physical inputs for the project with 25% overheads.
 - (iv) Equipment usage.
 - (v) External payments involved, if any.
- b) cost of securing the IP
- c) cost of maintaining the IP
- d) Intellectual Fee
- e) service tax calculated at the applicable rates of a+b+c+d.

It is suggested that a minimum floor price of Rs. 5 lakh per IP should normally be levied as cost of securing an IP. However, in exceptional cases and with prior approval of DG, CSIR, concessions could be considered.

3.6.2 Service Tax

The Finance Act 2004 has brought most of the client related R&D activities under the purview of Service Tax. The laboratories/institutes may therefore charge service tax for all categories of projects/services rendered except for Grant-in-aid projects. Thus the total charges for an assignment shall include an additional component for payment of Service Tax, which will be charged separately. The Service Tax shall be charged as applicable on the date of receipt of payment. The current rate of Service Tax is 10% w.e.f. 10.09.2004. Additionally, 2% education cess has been added on Service Tax thereby making the effective Service Tax rate 10.2 % w.e.f. 10.09.2004.

The laboratories are responsible for obtaining: (i) the registration from Superintendent of Central Excise (Form ST-1), Office of the Commissioner of Central Excise (ii) collection and payment of the Service Tax, in the prescribed manner and (iii) timely filing of the applicable tax returns (Form ST-3). The payment of Service Tax is to be debited to the project account.

3.7 Approvals

3.7.1 For licensing of Intellectual Property

Competent Authority	Criteria
Director	Lumpsum above Rs. 15 lakh per IP
Management Council	: where envisaged lumpsum payments per IP between Rs. 5-15 lakh
DG, CSIR	: where envisaged lumpsum payments are below Rs. 5 lakh; Involving foreign clients.

The estimates of factors considered for arriving at the price of Intellectual Property vide para 3.6.1 should be placed for consideration of the Competent Authority.

3.7.2 Licence Agreements

Competent Authority	Contracts
Director	: drawn up substantially as per the model agreement provided by CSIR Hqrs.
DG, CSIR	: a) largely deviating from the model agreement b) with foreign clients or multi laboratory projects c) for projects taken up/coordinated by CSIR Hqrs.

3.7.3 Authorized signatories to contracts

The authorized signatories in the laboratories for all contracts/ agreements may be chosen amongst the following: Head, Business Development Group/Head, PME/Senior Controller of Administration/ COA/AO. For multi-laboratory projects, the signatories shall be the designated officers of the co-ordinating laboratory. For the contracts/agreements of the CSIR Hqrs, the signing authorities may be chosen amongst the following: Head, Business Development Group/ concerned division's Under Secretary/Under Secretary or Deputy Secretary of Central Office. Exceptions, however, can be made with the specific approval of Director and DG, CSIR in the case of laboratory and CSIR Hqrs respectively.

3.7.4 Review of IP Portfolio

The laboratories shall periodically review the exploitable IP portfolio available with them, in order to build and maintain a relevant and active roster. All such IP portfolio, which becomes non-exploitable, shall be taken off from the list by giving proper reasons and justification. The laboratory shall maintain a year-wise documentation for the same.

A proposal comprising non-exploitable IP portfolio shall be prepared by Business Development Group and placed before the Management Council for approval.

3.7. 5 Deferment of Installments

If due to technical reasons, either party is unable to meet its obligations to achieve the agreed milestones as per the agreement/contract, either party may approach the other for deferment of payment of subsequent installment(s) from client till such time that it meets with its stipulated obligation. In such cases, where a deferment of subsequent installment(s) is to be affected, the laboratory shall place the proposal, clearly stating the reasons for non-fulfillment of obligations to management council for approval.

3.7.6. Write-off of unrecoverable dues

In the event there are unrecoverable dues relating to premia/royalty/installments from industry, the Head, Business Development Group/Head, PME shall prepare a comprehensive proposal stating the reasons for short-receipts of dues to the competent authority. The competent authority shall intern constitute a write-off committee comprising a senior scientist of the laboratory as chairman, Head Business Development Group as convenor, COA and SFAO as permanent members and one scientist as member. The committee recommendations shall be placed before management council for approval.

3.8 Feedback to Hqrs

Information on intellectual property generated, licensed and utilised shall be provided to Technology Networking and Business Development Division at Hqrs, as a part of the 'Research Utilisation Data' being sent once every three months. Information shall be furnished vide items II(a), II(b), & II(c) of proforma at Annexure -III.

4. LICENSING OF KNOWLEDGEBASE

4.1 Definition

Knowledgebase shall include readily available and commercialisable knowhow, process and/or process improvements, technology, technique and a new product. The knowledgebase per se may or may not embody the Intellectual Property.

4.2 Classification of Knowledgebase

The knowledgebase generated by CSIR falls in two broad categories:

4.2.1 Unencumbered

- i. Developed through wholly in-house R&D programmes / projects. In such case ownership of knowledgebase is solely that of CSIR, and consequently the licensing rights are that of CSIR alone;
- ii. Knowledgebase developed through contract research and subsequently rendered unencumbered as per the contractual arrangements with the client. In such cases licensing of knowledgebase by CSIR would be in accordance with the terms & conditions agreed upon with respect to third party licensing with the client.

4.2.2 Encumbered

Developed through contract research i.e. with total or partial financial support, and with/without technical inputs from users/clients. In such cases ownership and licensing of knowledgebase for commercial utilization shall be governed by CSIR obligations to client in the matter. (Please see chapter 1, para 1.6).

4.3 Development of Knowledgebase

- i. Development of knowledgebase shall be taken up preferably with user participation right from initial stages, to ensure commercial viability and successful utilization.
- ii. Wherever feasible and necessary the development should be taken to the stage of proving commercial viability. However as this would not be feasible for all laboratory projects, research results of projects should suitably be protected and maintained till such time that a demand develops for them. However, in case there is a demand for the research results per se, these could be licensed, on non-exclusive and 'as-is-where-is' basis, in a documented (report) form only, without any guarantees or other liabilities related to knowledgebase licensing.
- iii. The laboratories may continue with further development of the knowledgebase already assigned / licensed. The method and terms and conditions of licensing of all such developmental work shall be clearly specified in the licence agreement. Any directly relatable developments with respect to the knowhow already referred to the NRDC / licensed to a client shall be assigned to NRDC / offered to the licensee in accordance with the terms and conditions of agreements as improvements and/or additions.

4.4 Licensing of Knowledgebase

4.4.1 Definition

Licensing of knowledgebase shall mean granting licensee the right to use knowledgebase for making and selling the resulting product(s) either for commercial/captive purpose or as otherwise agreed to.

4.4.2 Method of Licensing

Licensing of knowledgebase involving transfer through formal means shall be through specific contractual arrangements. In case the knowledgebase requires one time demonstration or supply of only drawings, reports, etc. licensing can be done through implied contractual agreement with no liabilities on CSIR.

4.4.3 Channel of Licensing and associated ownership rights

Laboratories would be free to choose the channel of licensing/commercial utilization of all unencumbered knowledgebase. It could be either directly by the laboratory themselves or through the National Research Development Corporation (NRDC) or through any other Technology Transfer Agency (TTA) or through Business Consultants etc. The requisite approvals as per guidelines would be necessary in each case of licensing of knowledgebase.

4.4.3(a) Direct Licensing by Laboratory

Knowledgebase that can be licensed directly by the laboratory comprise:

- i. Developed (unencumbered) through in-house R&D programmes/ projects,
- ii. Developed under contract research and subsequently rendered unencumbered (ref. chapter 1, para 1.6).

Laboratories should clearly specify in the agreement their obligations and extent of commitments to the licensee(s) in each case.

Licensing of unencumbered developments could either be on non-exclusive or limited period exclusive or exclusive basis depending upon the nature of the knowledgebase.

4.4.3 (b) Licensing of knowledgebase through NRDC/other TTAs/ Business Consultants etc.

Only unencumbered knowledgebase can be licensed through NRDC/ TTAs/ Business Consultants. The ownership rights of all knowledgebase to be licensed through NRDC/TTAs/ Business Consultants shall vest with the CSIR, while the NRDC/TTAs/ Business Consultants shall be offered only the rights on non-exclusive basis to market the specific knowledgebase. CSIR liabilities, if any, from licensing of knowledgebase in all these cases shall be subject to a ceiling of the amount it received for the same.

Licensing through NRDC/TTAs/ Business consultants shall be through formal contractual agreement clearly specifying the rights and obligations of CSIR and the NRDC/TTAs/ Business Consultants as also the terms and conditions governing the marketing/licensing of the knowledgebase by them.

4.5 Pre-licensing aspects

4.5.1 Evaluation of Knowledgebase

A proper technical evaluation of the knowledgebase sought to be licensed shall be undertaken, through a suitable mechanism to be decided by the Director of the concerned laboratory. The mechanism could be in-house to the laboratory or external or a combination of both and could also differ from case to case. If the technical evaluation is satisfactory, a feasibility report for the exploitation of the knowledgebase should be prepared.

4.5.2 Legal protection

The Director may set up a suitable mechanism for examining the possibility of legally protecting the knowledgebase generated. All protectable knowledgebase shall be protected through appropriate legal instruments e.g. patents, copyright, registered design, trademark etc.

Industrial property sought to be patented shall be licensed preferably after filing of the complete specifications.

4.5.3 Documentation

In case of knowledgebase sought to be licensed, either directly or otherwise the detailed document on the technique/ knowhow/ process and/or process improvements/ technology and the method of its utilization, quality control aspects, safety and pollution control measures and other parameters associated with the implementation as per the case must be prepared. This document should be available centrally either with the Director or the business development unit of the laboratory. The services /assistance to be rendered by the laboratory to the licensee for the exploitation of the knowledgebase should be clearly specified.

4.6 Post licensing aspects

4.6.1 Review of knowledgebase licensed

Annual review of knowledgebase licensed to assess its utilization / production status including follow-up with the licensee, shall be conducted by the laboratory for knowledgebase licensed directly and in association with the NRDC/ TTA/ Business Consultant (as applicable). Any technological modification /development necessitated and also change in terms /conditions of its licensing can then be considered.

4.6.2 Collection of Monies

Laboratories are responsible for prompt collection of monies accrued through licensing of knowledgebase directly by them and through NRDC/ TTAs/ Business Consultants. They should thus evolve a proper mechanism for collecting and monitoring the accrual and realization of such monies. The mechanism evolved should include annual review of outstanding dues from the knowledgebase licensing and their recovery from the licensee(s).

4.7 Indemnity/Liability

The liability, if any, for CSIR arising out of or in connection with knowledgebase licensing shall be subject to a ceiling of the amount received by CSIR from the licensee for the knowledgebase licensed.

4.8 Financial aspects

4.8.1 Pricing

There is no rigid formula for determining the price of a given knowledgebase and thus estimates vary from case to case. The price would depend upon direct and indirect inputs for the development and the estimates of opportunity value and "what the market can bear".

The estimates of following factors shall be placed for the consideration of the Competent Authority to arrive at the price of knowledgebase:

- i. Cost of development;
- ii. Cost associated with knowledgebase demonstration;
- iii. Estimate of net benefit to be derived by the licensee;
- iv. Size and number of potential licensees;
- v. Comparative cost of competing knowledgebase in the market, wherever applicable/available;
- vi. Potential for unauthorized use of the specific knowledgebase subjected to; and
- vii. Opportunity value.

Price decided for a specific knowledgebase should be reviewed periodically, atleast every three years for revision, if any required.

4.8.2 Explanation

i. Cost of Development

Includes estimated cost of:

Direct inputs

- a) S&T Manpower deployed on the project (as per prescribed rates);
- b) Raw materials, consumable components etc. with 25% overheads;
- c) Physical Inputs for the project with 25% overheads;
- d) Equipment usage;
- e) External payments made, if any;
- f) Securing of intellectual property rights for the knowledgebase; and
- g) Cost of publicity.

Indirect inputs

- a) Notional amortization of investment on the staff, equipment, facilities deployed for the project; and
- b) Intellectual inputs.

ii. Net benefit to be derived by the licensee

This can be calculated as the money to be saved by the licensee by productivity improvement such as saving in raw materials, energy, time, labour, capital etc. or the additional profit to be realized due to better quality of product or reduction in pollution etc. or the net profit from the exploitation of the knowledgebase.

iii. Size and number of potential clients

Some estimate may be made of the potential market for the knowledgebase and the likely number of licensees for the knowledgebase, if it is to be licensed non-exclusively. Sometimes there may be alternative competing sources for the knowledgebase. These should be taken into consideration while determining the likely number of licensees for the laboratory's knowledgebase.

iv. Price of competing knowledgebase

In some cases the equivalent knowledgebase may have been imported or sought to have been imported in the country. The price and level of such technology could be an indicator for fixing the price of intellectual property.

v. Unauthorized use of knowledgebase

Some knowledgebase is highly innovative but difficult to prevent from being pirated by others. The price would need to give due recognition to the knowledgebase protection that can be accorded to the licensees.

vi. Opportunity Value

Opportunity value in terms of money is the estimated amount that can be realized by cashing upon the circumstantial /contingent aspects prompting the utilization of the knowledgebase by the licensee. For purpose of calculations, opportunity value could be expressed either in absolute money value or as a percentage of profits anticipated or of value addition envisaged.

4.8.3 Differential costing of the Knowledgebase

In order to help cottage/ tiny and small scale industries, differential costing could be applied for pricing the designated knowledgebase. It would be as under:

- i. Cottage/tiny industry: the knowledgebase shall be provided only for a token lumpsum charge, which could even be less than the cost incurred to develop the same. No royalty to be charged. Such licensing should always be on non-exclusive basis. The lumpsum fee could be decided by the Management Council
- ii. Small scale industry: only direct cost of development of the given knowledgebase will be charged. Where there is a possibility of licensing the technology non-exclusively for more than one client, the direct cost could be divided by such possible clients to arrive at the cost/client;
- iii. Medium and large scale industry: charges will be as per normal costing pattern.

The realization of price could be divided between lumpsum amount and recurring royalty payments for cases falling under 4.8.3 (iii). The licensee's interest would be to pay the price only through recurring royalty based on production, whereas CSIR interest is to realize as much price as possible through lumpsum payment. Thus, a balance has to be struck between these two competing interests. It would be in the interest of CSIR to realize as much price as possible through a lumpsum payment for cases 4.8.3 (ii).

4.9 Approvals

4.9.1 For licensing of unencumbered knowledgebase

Competent Authority	Projects
Management Council	: For all projects.
DG, CSIR	: <ul style="list-style-type: none"> • Involving foreign clients; • Knowledgebase involving multi-laboratories.

The following should be placed for consideration of the Competent Authority:

- a) estimates of factors considered for arriving at the price of knowledgebase vide para 4.8.1, and
- b) technical evaluation and feasibility report prepared vide para 4.5.1.

4.9.2 Licence Agreements

Competent Authority	Contracts
Director	: drawn up substantially as per the model agreement provided by CSIR Hqrs
DG, CSIR	: <ol style="list-style-type: none"> a) largely deviating from the model agreement b) with foreign clients or multi laboratory projects c) for projects initiated /coordinated by CSIR Hqrs

4.9.3 Authorized signatories to contracts

The authorized signatories in the laboratories for all contracts/ agreements may be chosen amongst the following: Head, Business Development Group/ Head, PME/ Senior Controller of Administration/ COA/AO. For multi-laboratory projects, the signatories shall be the designated officers of the co-ordinating laboratory. For the contracts/agreements of the CSIR Hqrs, the signing authorities may be chosen amongst the following: Head, Business Development Group / concerned division's Under Secretary/ Under Secretary or Deputy Secretary of Central Office,. Exceptions, however, can be made with the specific approval of Director and DG, CSIR in the case of laboratory and CSIR Hqrs respectively.

4.10 Review of Knowledgebase

The laboratories shall periodically review the commercialisable knowledgebase available with them, in order to build and maintain a relevant and active roster. All such knowledgebase, which becomes non-commercialisable and obsolete, shall be taken off from the list by giving proper reasons and justification and the laboratory shall maintain a year-wise documentation for the same.

A proposal comprising non-commercialisable/obsolete knowledgebase shall be placed before Management Council for approval.

4.11 Deferment of Installments

If due to technical reasons, the laboratory is unable to meet its obligations to achieve the agreed milestones as per the agreement/contract, the laboratory may defer receipt of payment of subsequent installment(s) from client till such time that it meets with its stipulated obligation. In such cases, where a deferment of subsequent installment(s) is to be affected, the laboratory shall place the proposal, clearly stating the reasons for non-fulfillment of obligations to management council for approval.

4.12 Write-off of unrecoverable dues

In the event there are unrecoverable dues relating to premia/royalty/installments from industry, the Head, Business Development Group/Head, PME shall prepare a comprehensive proposal stating the reasons for short-receipts of dues to the competent authority. The competent authority shall intern constitute a write-off committee comprising a senior scientist of the laboratory as chairman, Head Business Development Group as convenor, COA and SFAO as permanent members and one scientist as member. The committee recommendations shall be placed before management council for approval.

4.13 Feedback to Hqrs

Information on knowledgebase generated, licensed and utilized shall be provided to Technology Networking and Business Development Division at CSIR HQs., as a part of the 'Research Utilization Data' being sent by laboratories once every three months. Information shall be furnished vide items II(a), II(b), & II(c) of proforma at Annexure -III.

5. TECHNICAL SERVICES

5.1 Definition

Technical services are meant to render to the clients / customers, assistance based on available knowledge, expertise, skills, infrastructure and facilities of the laboratory. Technical services shall thus comprise:

- Testing & Analysis (including certification and calibration);
- Routine training;
- Technical assistance of an advisory nature;
- Fabrication, production and supply of special products for R&D;
- Repair and Maintenance; and
- Providing information.

5.2 Testing & Analysis (Including Certification & Calibration)

Services undertaken under this category pertain to use of specialized facilities and technical expertise available at the laboratories for testing & analysis. Except for purposes of fulfilling their statutory obligations, laboratories should in general refrain from undertaking testing & analysis jobs of routine nature or those for which facilities are easily available commercially.

The laboratory shall wherever feasible draw-up a schedule of charges for its testing and analysis service, which may be reviewed atleast every two years.

In respect of testing jobs undertaken for purposes of 'Certification' and 'Calibration', the certificates issued should clearly specify:

- i. Limitations of testing equipment /procedures available with the laboratory;
- ii. Disclaimer on responsibility of the laboratory for non-conformance of products/ instruments to results given in the certificate; and
- iii. Testing based only on the samples supplied.

5.3 Training

Laboratories take up training programmes either on their own or at the specific request of clients. Charges per participant for training programmes arranged by the laboratory on its own shall be such that at least all out-of-pocket expenditure is recovered. Normally, training programme could be a significant source of external cash flow, especially those arranged for international organisations / agencies. Thus, due consideration should be given to this factor while charging for training.

5.4 Technical Assistance

Technical assistance shall involve one time assistance mainly advisory in nature to help in interpreting the analytical data, problem resolving, quality control etc.

No formal contractual arrangements are needed to be concluded with the client for technical assistance sought. However the scope and objectives of the assistance

requested by the customer should be clearly specified and CSIR obligations in that service to be rendered clearly stated through proper / appropriate documentation (e.g. letters, joint declaration etc.).

5.5 Fabrication/Production of special products (Job work)

CSIR laboratories are often called up to produce/ fabricate limited quantities of special materials, products or equipment either due to non-availability of commercial facilities for these or due to the activity being commercially unviable. Thus, while agreeing to undertake the work, due consideration should be given to the following :

- i. the service is not in competition with that available commercially to the client; and
- ii. the charges for the service at least recover all the expenditure incurred.

5.6 Repair and Maintenance

Over the years some CSIR laboratories have acquired special expertise / knowledge of repair and maintenance of sophisticated instruments, equipment etc. While the actual out of pocket expenditure for manpower, components etc. for repair and maintenance may be small, the charges should take into consideration the opportunity value and the amortisation of investment made in building up the specific group and the knowledgebase.

5.7 Supply of Information

CSIR laboratories have collected and compiled information and databases in specialised areas, which could be of significant value to clients. In the past this type of information has often been given free. There is a business opportunity, which can be beneficially used. While no rigid guidelines can be laid on the price of supplying this information, the laboratory must ensure that price charged takes into consideration the benefit to be derived by the client on acquisition of the information / database as also the nature of the client. While laboratories may supply the information / database at a modest price to universities and other S&T organizations /agencies, the charges for such information to commercial organisations and international / foreign agencies should be based on commercial considerations.

5.8 Financial aspects

Charges for technical services (except for supply of information / databases) shall comprise:

5.8.1(i) Expenses:

- a) Manpower and temporary project staff employed (at prescribed rates),
- b) Physical inputs / services / utilities etc. including overheads at 25%,
- c) Raw materials / consumables components with 25% overheads,
- d) Equipment usage, depreciation / replacement costs, and
- e) Any other out-of-pocket expenditure.

5.8.2(ii) Intellectual fee / opportunity cost

The quantum of intellectual fee or opportunity value shall be at the discretion of the Director, considering the nature of client, the benefits accruing and clients paying capacity.

Charges = Total Expenses + Intellectual fee

i.e. (i + ii) above

5.8.2(iii) Service tax

The Finance Act 2004 has brought most of the client related R&D activities under the purview of Service Tax. The laboratories/institutes may therefore charge service tax for all categories of projects/services rendered except for Grant-in-aid projects. Thus the total charges for an assignment shall include an additional component for payment of Service Tax, which will be charged separately. The Service Tax shall be charged as applicable on the date of receipt of payment. The current rate of Service Tax is 10% w.e.f. 10.09.2004. Additionally, 2% education cess has been added on Service Tax thereby making the effective Service Tax rate at 10.2 % w.e.f. 10.09.2004.

For the Technical services taken up on or after 1st October, 2001, the charges for technical services shall include an additional component for payment of service tax. The current rate of service tax is 10.2% inclusive of educational cess.

The total charges for the Technical service to a client shall be as follows:

(a) Expenses [5.8.2(i)]

(b) Intellectual fee [5.8.2(ii)]

Charges = (a+b)

(c) Service tax calculated at 10.2 % of (a+b)

(d) Total charges to be obtained from the client = (a+b+c) above

Payment of service tax as mentioned at Para 1.4.2 (iii).

The laboratory shall endeavour to collect the technical services charges fully in advance. However, in cases of technical services from government departments / agencies and public sector enterprises advance payment may not be insisted.

5.9 Indemnity/Liability

The liability, if any, for CSIR arising out of or in connection with Technical Services shall be subject to a ceiling of the amount received by CSIR from the client for the Technical Services.

5.10 Competent Authority for Approval

All jobs undertaken under Technical Services and charges thereto shall be approved by the Director of the laboratory.

5.11. Deferment of Installments

If due to technical reasons, the laboratory is unable to meet its obligations to achieve the agreed milestones as per the agreed terms, the laboratory may defer receipt of payment of subsequent installment(s) from client till such time that it meets with its stipulated obligation. In such cases, where a deferment of subsequent installment(s) is to be affected, the laboratory shall place the proposal, clearly stating the reasons for non-fulfillment of obligations to management council for approval.

5.12 Write-off of unrecoverable dues

In the event there are unrecoverable dues relating to installments from industry, the Head, Business Development Group/Head, PME shall prepare a comprehensive proposal stating the reasons for short-receipts of dues to the competent authority. The competent authority shall intern constitute a write-off committee comprising a senior scientist of the laboratory as chairman, Head Business Development Group as convenor, COA and SFAO as permanent members and one scientist as member. The committee recommendations shall be placed before management council for approval.

5.13 Feedback to Hqrs

Information on Technical Services undertaken by the laboratory shall be furnished to the TNBD Division at Hqrs once every three months vide item V of proforma at Annexure - III.

6. EXPLOITATION OF KNOWLEDGEBASE BY FOREIGN CLIENTS

Preamble

There has been an increasing interest in utilization of the CSIR knowledgebase, by clients, not only from developing countries but also from developed countries. Some of the CSIR laboratories are already exporting their R&D and services and the international business is growing.

The consolidated guidelines for exploitation of knowledgebase by foreign clients are as under:

6.1 Definition

Foreign Client is deemed to be:

- i. A juridical entity registered/ situated outside India;
- ii. A company registered in India with more than 50% equity holding by foreign entity;
- iii. All UN and World Organisations/ Bodies such as UNDP, UNIDO, UNESCO, WIPO, CSC etc.; and
- iv. NRI Client seeking to utilise/ exploit CSIR knowledgebase abroad

6.2 Approvals

6.2.1 For Projects

The Government of India guidelines/instructions on the subject (vide O.M.No.1/116/5/98-TS dated 21st December, 1999) specifies **all projects involving foreigners/foreign collaboration in any form need a first level scrutiny from security & sensitivity angles by the concerned Ministry for clearance by the Secretary of the concerned Ministry/Department or a High Level Committee (HLC) of the Govt. of India depending upon the nature of the project.** Thus, all proposals for undertaking projects involving foreigners /foreign collaboration by CSIR and the laboratories should be referred to CSIR Hqrs for obtaining security and sensitivity clearance of Competent Authority after due diligence of scrutiny by the Director at the laboratory/Head of Division of concerned division at Hqrs. These shall then be referred to:

Head, ISTAD For all bilateral projects with other international scientific organizations excluding Global Research Alliance (GRA) projects

Head, TNBD For all International Business and Marketing related projects viz. (i) Contract research, (ii) consultancy, (iii) technical services, (iv) licensing of intellectual property, and (v) licensing of knowledgebase and GRA projects

at CSIR Hqrs for obtaining clearance/approval of the Competent Authority as per the detailed procedure given in Annexure-V.

6.2.2 Contracts

The Competent Authority for approval of contracts in all cases will be Director General, CSIR.

6.3 Authorized signatories to contracts

The authorized signatories in the laboratories for all foreign contracts /agreements may be chosen amongst the following: Head, Business Development Group/Head, PME/Senior Controller of Administration / COA/AO. For multi-laboratory projects, the signatories shall be the designated officers of the co-ordinating laboratory. For the contracts/agreements of CSIR Hqrs, the signing authorities may be chosen amongst the following: Head, Business Development Group, concerned division's Under Secretary/Under Secretary or Deputy Secretary of Central Office. Exceptions, however, can be made with the specific approval of Director and DG, CSIR in the case of Laboratory and CSIR Hqrs respectively.

6.4 Financial aspects

6.4.1 Charging for Projects

The estimates of costs to be taken into consideration for costing of a 'Project' with foreign client will be the same as for the Indian clients and an opportunity charge levied keeping in view the cost that the foreign client would incur internationally or in his country for a similar project.

In several countries, particularly the Europe and USA, the concept of Full Time Equivalent (FTE) are prevalent. Usually the FTE includes one group IV staff member, two project assistants, normal raw materials, analytical services and intellectual fees. CSIR laboratories can also adopt this concept in the contract by foreign clients. Towards these objectives, each laboratory may work out their respective FTE rates. The basis for costing will be same as for the Indian clients and an opportunity charge levied keeping in view the cost that the foreign clients would incur internationally or in his country for a similar project as also the reputation of the laboratory in the area.

In general, fees levied to an overseas client should be at least twice that levied to an Indian client for a comparable assignment. However, lower multiples could be charged if it is perceived that it could lead to leverage the country image or result in a strategic advantage to the country.

6.4.2 Pricing

The pricing of intellectual property and/or knowledgebase shall be done on the same conditions as for Indian client. All factors enumerated therein shall be taken into account while arriving at the price of the intellectual property. However the 'opportunity value' shall depend upon the specialised nature of inputs like raw materials, expertise, size of plant, competition from similar technology from other countries, state of art of technology etc. and it would play a greater role in determining the final price to be offered to the foreign client.

6.4.3 Terms of payment

The terms of payment by the foreign client could be negotiated and settled to mutually agreed conditions, to be approved by the Director.

Some countries may not have a well developed system for foreign currency remittances and as such royalty collection may be difficult. In such cases it may be advisable to transfer the Intellectual property and/or knowledgebase preferably against lumpsum payments only while in other cases the charges could be split between lumpsum amount and recurring royalty payment.

6.5 Intellectual property

6.5.1 Ownership

i. Sponsored R&D

The ownership of the intellectual property generated shall be negotiated and decided between the parties and shall explicitly be stated in the contract. The ownership could be of CSIR or client or joint. Obtaining and maintaining the relevant intellectual property rights shall correspondingly be the responsibility of CSIR or client or joint. In case where the ownership of intellectual property is fully provided to client, the laboratory/institute shall ensure suitable compensation in the form additional payments in Intellectual fee or premia and/or recurring royalty. In case of joint ownership the responsibilities and obligations as also territory of operation of each party shall be clearly defined. The decision, whether or not an intellectual property right be obtained, shall be mutually decided, failing which the Director of the laboratory will decide and his decision shall be final and binding.

ii. Collaborative /Cooperative R&D

Intellectual property generated through projects with technical contribution from the collaborator(s), shall be jointly owned. The expenses for obtaining and maintaining the intellectual property rights shall be borne equally by CSIR and the collaborator(s). The decision whether or not intellectual property rights be secured shall jointly be taken by the Director of the laboratory and the collaborator(s).

iii. Grant-in-aid

Intellectual property rights in case of international agencies shall be mutually decided prior to undertaking assignment. However, where the grantor has no standard conditions and for non-government agencies, ownership rights shall be that of CSIR.

6.5.2 Licensing

CSIR and the foreign client shall negotiate and decide the terms & conditions for licensing/ commercial exploitation of the intellectual property. These terms & conditions shall be clearly spelled-out in the contract agreement

6.6 Indemnity/Liability

The liability, if any, for CSIR arising out of or in connection with the projects with foreign clients shall be subject to a ceiling of the amount received by CSIR from the client.

6.7 Foreclosure of the projects

In the event a project requires foreclosure the project leader shall submit a comprehensive proposal stating the reasons for foreclosure, to the Competent Authority. Based on the proposal Head, BD/ Head, PME shall prepare a comprehensive note including financial statement for the approval of management council.

6.8 Deferment of Installments

If due to technical reasons, the laboratory is unable to meet its obligations to achieve the agreed milestones as per the agreement/contract, the laboratory may defer receipt of payment of subsequent installment(s) from client till such time that it meets with its stipulated obligation. In such cases, where a deferment of subsequent installment(s) is to be affected, the laboratory shall place the proposal, clearly stating the reasons for non-fulfillment of obligations to management council for approval.

6.9 Write-off of unrecoverable dues

In the event there are unrecoverable dues relating to premia/royalty/installments from industry, the Head, Business Development Group/Head, PME shall prepare a comprehensive proposal stating the reasons for short-receipts of dues to the competent authority. The competent authority shall intern constitute a write-off committee comprising a senior scientist of the laboratory as chairman, Head Business Development Group as convenor, COA and SFAO as permanent members and one scientist as member. The committee recommendations shall be placed before management council for approval.

6.10 Feedback to Hqrs

The laboratory shall keep Head, Technology Networking and Business Development Division , CSIR informed of any 'Project' negotiated and contracts entered into with foreign clients by submitting a quarterly statement of the details of such project(s) including a copy of the signed contract agreement.

7. SHARING OF MONIES REALISED WITH STAFF

Preamble

The Resolution of the Government of India for setting up the CSIR provides that a portion of monies realized from licensing of Intellectual Property, knowledgebase, consultancy and fee from sponsored research projects/schemes be shared with the staff. In accordance with the provisions, GB of CSIR has from time to time considered and approved of the scheme of sharing of monies with the staff.

The consolidated revised guidelines for sharing of monies realised from various R&D activities with the CSIR staff are as under:

7.1 Contract R&D, Intellectual Property and Knowledgebase Licensing and Technical services

The distributable share to staff is 15% of the total project cost or net surplus (remaining after accounting for all direct and indirect expenditure for the activities) whichever is less for the projects where the money is being distributed on or after 1st June 2005. However, for arriving at distributable amount, the cost of equipment and capital investments are excluded from the total project cost.

Note

- i. Contract R&D contracted prior to 1st October, 1977 and on or after 1st April, 1994 is distributable among the staff.
- ii. Contract R&D projects for which agreements were executed between 1st October, 1977 and 31st March, 1994 is not distributable among the staff.
- iii. Sharing of monies is not permitted in the projects that are not wholly funded (direct and indirect cost + service taxes) by the client. Partially funded projects are not eligible for sharing of monies.
- iv. Sharing of monies from projects that have been foreclosed or where there is short receipt of funds or where dues are not recovered fully shall not be distributable. Deductions at source on account of income tax is not considered as short receipt.

7.2 Honorarium for Consultancy Services

Remuneration by way of honorarium receivable by staff associated with consultancy work shall be in accordance with O.M.No. F-11(2)- E.II(B)/63 dated 6th May, 1963 of the Department of Expenditure, Ministry of Finance (Annexure -V). Thus an amount upto a maximum of two thirds of the fee portion or of the net surplus (remaining after accounting for all direct and indirect expenditure for the consultancy service) whichever is less is distributable as honorarium to staff.

7.3 Premia/Royalty received from Licensing of Knowledgebase (technology, process knowhow, improvements in process knowhow etc.)

The monies/fees realized from licensing of intellectual property (a) referred to NRDC and (b) directly by the Lab is to be shared as follows:

Share of	Monies realized from licensing	
	Through NRDC	Direct by Laboratory
NRDC	30%	-
CSIR (Laboratory)	30%	60%
Investigators*	40%*	40%

***Note**

- The Investigators' share of premia/ royalty/ other money realised from licensing of knowledgebase (technology, process knowhow, improvements in process knowhow etc.), developed and referred to NRDC or approved for direct licensing by laboratory prior to 1st October, 1977 and on or after 1st April, 1994 is distributable amongst the staff.
- The Investigators' share of premia/royalty in respect of knowledgebase (technology, process knowhow, improvements in process knowhow etc.), referred to NRDC/released directly by the laboratory between 1st October, 1977 and 31st March, 1994 is not distributable amongst the staff.

7.4 Pattern of Distribution

7.4.1 Contract R&D, Intellectual Property licensing, Knowledgebase licensing and Technical and Knowledgebase Services

- The distribution pattern of Investigators' share of monies realised from contract R&D contracted and licensing of Intellectual property, licensing of knowledgebase etc., and Technical and Knowledgebased services upto 30th September, 1977 is to be as follows:

S.No.	Staff	Share
i.	Innovators	35%
ii.	Other members of the team	35%
iii.	Those who have provided physical and mechanical inputs directly associated with the project work	15%
iv.	#Common Pool	10%
v.	Welfare/Benevolent Fund	5%

#The share for the Common Pool has been merged with the share for Welfare/ Benevolent Fund w.e.f. 15th December, 1986.(Ref: 111th GB meeting held on 15th December, 1986).

Note: The investigators share of monies realized from NRDC for the process referred up to 30th September, 1977 shall also be on the same pattern.

- The distribution pattern of Investigators' share of monies realised from Contract R&D, licensing of Intellectual property, licensing of knowledgebase etc., and Technical services on and after 1st April, 1994 is to be as follows:

S.No.	Staff	Share
i.	Innovators & Principal Contributors	40%
ii.	S&T and Other staff who contribute direct inputs to the specific development/activity	35%
iii.	Remaining staff of the laboratory	20%
iv.	CSIR Welfare Fund (maintained at Hqrs)	5%

The detailed procedure for distribution of monies realised is given in Chapter 8, para 8.1.

Note: The investigators share of monies realized from NRDC for the process referred on or after 1st April 1994 shall also be on the same pattern.

7.4.2 Consultancy Services

The pattern of distribution of the permissible amount of honorarium or 300% of the manpower charges levied, whichever is less from Consultancy services is to be as follows.

Team of Consultants	-	65%
Other S&T Staff	-	15%
Supporting Staff	-	15%
CSIR Welfare Fund	-	5%

The detailed procedure for distribution of honorarium shall be as per Chapter 8, para 8.2.

8. PROCEDURE FOR SHARING OF MONIES WITH STAFF

8.1 Sharing of monies realized from licensing of Intellectual Property and knowledgebase as well as Contract R&D and Technical Services etc.

8.1.1 Conditions for sharing of monies

The sharing of portion of monies as specified in Chapter 7 is subject to fulfillment and compliance of the following:

- a) A formal cost accounting has been put in place and notified by the laboratory;
- b) A legally valid agreement has been executed for Intellectual Property licensing / Contract R&D / licensing of technology etc;
- c) The laboratory has fulfilled its obligations in the assignment in accordance with the terms of the agreement;
- d) All the monies/fees due have been received in full;
- e) The client has not contested CSIR's fulfillment of its obligations as defined in the contract/ agreement;
- f) In the event of any legal action/dispute necessitating refund/ payment of monies/ fees by CSIR to the client, the amount paid to the staff is recoverable;
- g) Sharing of monies is not permitted in the projects that are not wholly funded (direct and indirect cost + service taxes) by the client. Partially funded projects are not eligible for sharing of monies; and
- h) Sharing of monies from projects that have been foreclosed or where there is short receipt of funds or where dues are not recovered fully is not permitted.

8.1.2 Categorization of Staff

- a) 'Innovators and Principal Contributors' may comprise scientists and other S&T staff who have provided innovative, developmental, design engineering, experimental, data/ information, testing/ analytical, repair/ fabrication, training and business development / marketing inputs for the project/ activity;
- b) 'S&T' and 'Other staff' may comprise staff who have provided direct supporting inputs for the specific project/ activity; and
- c) Remaining staff may comprise rest of the staff of the laboratory who have not been included in the category of staff at (a) and (b) above for the specific project/ activity.

8.1.3 Maintenance of Project Records

The Head of the laboratory shall ensure that the following records are maintained and kept securely in the laboratory:

(i) By Project Leader

a) Project File

Document containing information on a systematic basis on initiation of the idea; date of starting of the project; list of Innovators and Principal Contributors (as defined earlier); responsibilities assigned to the individuals and the extent of their participation (whether whole time or part time); significant contributions made by the individuals along with the supporting inputs/ contributions of the S&T and Other staff.

b) Completion Report

A document listing the outcome of the project/ activity including the contributions made by each of the Innovators & Principal Contributors, S&T and Other staff. The final record shall be signed by each of the Innovators, Principal Contributors and the Project Leader.

c) Project Cost

Certified expenditure for each project/ activity in accordance with Integrated Management & Project Accounting (IMPACT) system.

(ii) By Innovators & Principal Contributors and S&T and Other Staff

Record Book

A document maintained individually by the Innovators & Principal Contributors, S&T and other staff listing date of his/her joining the project; extent of participation (whether whole time or part time); work allotted and/ or undertaken from time to time; contributions or achievement made, verified and countersigned by the Project Leader/ Director.

8.1.4 Distribution of Monies/ Fees

- a) A Standing Committee shall be set up by the Director to consider and decide on the share of the Innovators and Principal Contributors, S&T and other staff from the monies realised from licensing of Intellectual Property and knowledgebase as well as the intellectual fees of Contract R&D projects and S&T Services.
- b) The Project Leader shall recommend to the Standing Committee the share of the individual Innovators, Principal Contributors and S&T and other staff for a specific project/ activity commensurate with the individual's contributions to the project/ activity as reflected in the Project Records.
- c) The Standing Committee shall decide the share of each individual in the light of the recommendations of the Project Leader and taking into consideration the Project Records [as at (ii) above], wherever necessary.
- d) The recommendations of the Standing Committee shall be intimated to each of the Innovators and Principal Contributors and S&T and other staff and also displayed on the laboratory and other appropriate notice boards. In case no objections / representations are received within fifteen days of the date of notification, then the same can be submitted for consideration and approval by the Management Council.
- e) Representations, if any, against the recommendations of the Standing Committee, within the stipulated time limit, shall be reconsidered by the Standing Committee. The fresh recommendations of the Standing Committee, along with

the details of representations shall be put up to the Management Council for consideration.

- f) The decision of the Management Council shall be intimated to each of the Innovators and Principal Contributors and S&T and other staff and displayed on appropriate notice boards. Distribution of the monies/ fees will then be done if no representations are received against the decision of the Management Council within thirty days of the date of notification.
- g) Appeals against the decision of the Management Council, within thirty days of the date of notification, can be made to DG, CSIR through the Director of the laboratory. Decision of DG, CSIR shall be final and binding on all concerned.
- h) The portion of the monies/ fee earmarked for the 'Remaining Staff of the Laboratory' is to be uniform for a salary scale and is to be distributed once a year.
- i) A person is entitled for a share from the monies/fees even in the event of his transfer / retirement / resignation from CSIR. In the event of death of a person, his/her legal heir shall be entitled to his / her share of monies/fee.
- j) From 1st June 2005, there is no ceiling on the amount of honorarium receivable by an individual from licensing of intellectual property and knowledgebase as well as contract R&D and technical services.

8.2 Distribution of honorarium for Consultancy Services

- 8.2.1 Honorarium is payable only to the 'Team of Consultants', 'Other S&T Staff' providing inputs to the specific consultancy assignment (together hereinafter referred to as 'Group of Staff') and the 'Supporting Staff'. In case there is no staff under 'Other S&T staff' associated with a consultancy project the share of honorarium earmarked for this category shall then go to the Team of Consultants.
- 8.2.2 The 'Team of Consultants' shall comprise only such staff members who provide intellectual inputs to the specific consultancy work, while 'Other S&T Staff' shall generally include Group III & IV staff, Research Fellows/Associates who assist the team of consultants with S&T, information, computational, economic and marketing inputs pertaining to the specific consultancy. The 'Supporting Staff' will comprise all staff in the laboratory from the technical groups I & II, administration, finance, stores & purchase who have not been included in the other two categories of staff of any consultancy project for the year of distribution of honorarium. The Director shall have the flexibility to group the 'Supporting Staff' as: (a) those who contributed directly to the consultancy and (b) the remaining supporting staff. The Director can also apportion between the two groups (a) and (b) above, the honorarium earmarked for the category of 'Supporting Staff'. The distribution of honorarium to group (b) staff is to be uniform for a salary scale and is to be done once a year; however, any supporting staff included in group (a) of a consultancy shall be excluded from group (b).
- 8.2.3 The names of the 'Group of Staff' to be associated with the 'consultancy project', indicated under each category along with the proposed share (%) of honorarium of each individual member should be included in the project proposal put up to the Competent Authority for seeking approval to the project.
- 8.2.4 Any change in the approved 'Group of Staff' for the consultancy project can be

- made by the Director, with the revision being ratified by the Management Council or DG, CSIR for projects within their competence for approval.
- 8.2.5 The consultancy will be deemed as completed only when the obligations envisaged in the assignment have been fulfilled and all the money due from the client has been received.
- 8.2.6 On the completion of the consultancy, the project co-ordinator shall in consultation with the team of consultants decide the share of honorarium to each member of the 'Group of Staff', commensurate with the inputs of each individual member. The share of distribution agreed upon will be intimated to the concerned staff and displayed on the notice board of the laboratory. In case no objection to / representations against the proposed distribution, are received within fifteen days from the date of intimation/ notification, the recommended distribution may be taken as final.
- 8.2.7 In case of Consultancy projects running for longer duration (more than two years), honorarium may be distributed annually, provided the amount due for the corresponding year has been fully received from the client.
- 8.2.8 The Director would be competent to approve the distribution of honorarium (vide procedure stipulated in para 6 above) in all cases where there is no deviation from the approvals obtained for the distributable amount and/or share of honorarium of individual member for a consultancy project.
- 8.2.9 In cases where there is a deviation in the approved share of honorarium of individual member and/ or the amount available for distribution, approval of Competent Authority to the revised proposal for grant of honorarium as envisaged by the changed conditions may be obtained prior to distribution of honorarium as per procedure prescribed in para 8.2.6 above.
- 8.2.10 Any objections/representations (received within the stipulated period of time) to the distribution of honorarium proposed vide para 8.2.6, shall be discussed with the Project Coordinator by either the Director or any Committee setup by the Director for the purpose. The Director's/ Committee's recommendation would then be placed for consideration/ decision of the Management Council (MC). The decision of the MC shall be intimated to all concerned staff and displayed on the Notice Board. In case there is no representation against the decision of the Management Council within 30 days of its display on the Notice Board, distribution of honorarium as per the MC decision shall be done.
- 8.2.11 Representations/ objections against the decision of the MC can be made to DG, CSIR within 30 days of the date of its display on the Notice Board (A copy of all such representation should invariably be endorsed to the Director of the laboratory). The recommendation of DG, CSIR in the matter shall be final and binding on all concerned.
- 8.2.12 A member of the consultancy team shall have the option to forego his/her share of honorarium, which shall then lapse to the CSIR Welfare Fund.
- 8.2.13 From financial year commencing 1st April, 1995 there is no ceiling on the maximum amount of honorarium receivable by an individual from consultancy provided that the mandays devoted by the individual on consultancy work in a financial year do not exceed 50 mandays (as stipulated in Chapter 2, para 2.7.9)
- 8.2.14 Any distribution made in disregard to the prescribed procedure and guidelines shall be deemed as unauthorized and liable to recovery with 12% interest.

9. ENGAGEMENT OF TECHNICAL AND BUSINESS DEVELOPMENT CONSULTANTS

Preamble

Companies, world over have realized that to gain competitive advantage they need to leverage their capabilities through outsourcing. Thus, the innovation chain is no more country/company specific and is increasingly becoming global. As a consequence, national as well as international companies are increasingly approaching R&D set-ups in public domain, engaged in niche areas, for contract R&D. This phenomenon may gain additional momentum in future and result in unique public-private-partnerships.

CSIR has to be competitive in the knowledge driven economy. It should thus have the ability to co-opt external skills and competencies not available within the organization through suitable consultancy services. Such a consultant can either be in the science and technology area or in areas related to business development, intellectual property rights management, safety management, and human resources management.

CSIR in 1994 had instituted a Scheme for engagement of consultants for business development. The Scheme has been found to be useful and the engagement of consultant(s) leveraged the capability base of the given laboratory in the identified domain(s). The scheme has been renewed and extended from time to time.

Under the scheme, the consultants are appointed for a fixed period and assigned a specific and specialized task. Generally the given work assignment requires them to visit diverse organizations, develop contracts to carryout the desired activities. GB in its 164th meeting held on 15th December 2004 approved that the consultants appointed in the scheme be provided a documentary proof of their affiliation to CSIR for the identified task. This (proof of) affiliation however will be temporary and will be used only for the period consultant is working for CSIR and in no way allow him/her to claim any other benefits.

9.1 Eligible Consultant(s)

The consultant(s) could be any legal entity, individual(s)/group of specialists/experts, corporate entities such as firms / companies/ societies / trusts etc. Individuals who have been retired from Government / Semi-Government / Public Sector organization(s). Individuals who are regular employees of Government / Semi-Government/ Public Sector organization(s) could be engaged as consultants, on deputation / foreign service basis, as applicable.

9.2 Scope

Scope of consultants' services could *interalia* cover assistance to the laboratory/CSIR Hqrs in:

- i. Evolving of business plans and strategies;
- ii. Specialized technical inputs to R&D programmes;

- iii. Forecasting of technology;
- iv. Carrying out market/demand surveys;
- v. Evaluation and upscaling of technology;
- vi. Tying up with design engineering consultants/companies, financial institutions and other agencies for packaging the laboratory knowledgebase;
- vii. Identifying and developing market(s)/client(s) for the IP/ knowledgebase;
- viii. Negotiations and contracting of the IP/knowledgebase;
- ix. International marketing of IP/knowledgebase;
- x. Human resources management
- xi. Safety management
- xii. Designing and developing publicity material/campaigns for IP/ knowledgebase;
- xiii. Any other function to be assigned by Director/DG, CSIR as the case may be.

Note: Consultant(s) cannot be engaged for seeking and securing contracts / sponsored R&D and funds from Govt. Departments / Agencies, UN and other International Aid Agencies, Public Sector Undertakings/Enterprises.

9.3 Engagement of Consultant(s)

Broadly two types of consultants are envisaged viz. (i) Fixed fee consultant and (ii) Variable Fee consultant. The procedure for engaging the two types of consultants is as follows:

- i. The Fixed Fee consultant(s) to be engaged is to be recommended by a Committee as under:
 - a. For Laboratory: Chairman of Research Council of the laboratory, an expert in the area to be nominated by the Director and the Director.
 - b. For Headquarters: Member GB/AB and an expert in the area, both to be nominated by DG, CSIR and Head of the Division/Unit seeking engagement of consultant(s).
 - c. In case of urgency, the decision of the members of the Committee can be obtained by circulation of the proposal by the Director in case of the laboratory and by the Head of the concerned Division/Unit in case of CSIR Hqrs.
- ii. The Variable Fee consultant to be engaged is to be recommended as under:
 - a. For Laboratory: Management Council.
 - b. For Headquarters: Director of a laboratory (to be nominated by DG, CSIR), Head, TNBD and Head of the Division/Unit seeking engagement of consultant(s).
 - c. In case of urgency, the decision of the members of the Committee can be obtained by circulation of the proposal by the Director in case of the laboratory and by the Head of the concerned Division/Unit in case of CSIR Hqrs.

9.4 Terms of consultancy

i. General terms

- a) The consultant(s) shall be engaged for a specific job assignment;
- b) The roles, rights and responsibilities of consultant(s) will be well defined;
- c) The period of engagement of consultant could be upto one year only; any extension shall be reviewed and approved by the Committee at (9.3) above upto a maximum of another one year.

ii. Payment terms

The payments / fees to the Consultant and details thereof shall be decided by the Committee at (9.3) above. Procedure for approval shall be as follows:

(i) Fixed Fee Consultants:

Upto Rs. 5 lakh	The Committee as at 9.3 (i)
Over Rs. 5 lakh and upto Rs. 12 lakh	DG, CSIR on the recommendation of the committee as at 9.3(i)
Over Rs. 12 lakh	Vice President, CSIR on the recommendation of DG, CSIR

(ii) Variable Fee Consultants:

Upto 5% of amount realized from business development with a new customer	The Committee as at 9.3 (ii)
Upto 8% of amount realized for identifying a customer for knowledgebase licensing	The Committee as at 9.3 (ii)
Upto 15% of amount realized for locating a customer for licensing IP	The Committee as at 9.3 (ii)
Beyond the above limits	DG, CSIR on the recommendations of the Committee as at 9.3 (ii)

9.5 Agreement

i. Terms and conditions of the agreement.

The agreement with consultant(s) should *interalia* specify:

- d) Details of job assignment to be undertaken by the consultant(s);
 - e) Details of facilities, assistance etc. if any, to be provided by the laboratory;
 - f) Details of expenditure to be reimbursed, payment for the services to be made and mode of payment indicating the value, periodicity, linkages to stages of performance etc.;
 - g) Duration of the assignment along with affiliation (documentary proof);
 - h) Secrecy/confidentiality to be maintained by consultant(s) and their staff of the information disclosed by the laboratory and or acquired during the course of consultancy by the consultant(s);
 - i) Disclaimer by consultant(s) on claims/rights in:
 - any intellectual property/information/data/prototype resulting or acquired during consultancy, and
 - any money receipts accruing or received during or consequent to utilization / commercialization of the said intellectual property, information, data, prototype etc.;
 - j) Mechanism for resolution of disputes between the consultant(s) and CSIR/Laboratory.
- ii. Approval of Agreement (Ref. OM No.9/203/2001-RPBD, Amend-11 dt. 29.12.2001)

Competent Authority for approval of the agreement(s) with:

Indian consultant(s):

(a) For Headquarters: DG, CSIR

(b) For Laboratory: Director

Foreign consultant(s):

DG, CSIR for Headquarters and Laboratory.

9.6 Feedback to Hqrs.

The information on consultant(s) engaged and the agreement entered into covering *interalia* the specific activity, duration and fee to be paid shall be sent to Head, Technology Networking and Business Development Division at CSIR Hqrs. within **one month** of engaging of the consultants, for reporting to the GB. This may please be strictly complied with otherwise the engagement of consultants may be held as unauthorized. A financial statement to the effect of monies received by the CSIR laboratory on account of the services of the consultant vis-à-vis fee paid may be made available annually to TNBD before 30th April for the previous financial year.

10. CSIR SCIENTISTS TO BE MEMBERS ON THE BOARD OF DIRECTORS OF PRIVATE SECTOR COMPANIES

Preamble

In the changing economic, trade and intellectual property regime, the Indian industry has to be technology driven. This offers significant opportunity for the indigenous R&D to exploit its potential by establishing linkages with the industry. Thus the presence of CSIR Scientists on the Board of Directors (BOD) of Companies would help build organic linkages between the CSIR laboratories and Indian companies/organisations. However, considering the diversity of CSIR knowledgebase and the Indian industry, adequate caution is needed in selecting such companies/organisations so that functioning of the scientists on their BODs is mutually rewarding to the CSIR and the companies/organisations. Recognizing this, CSIR has permitted its scientists to be on BODs of companies/organisations, which are:

- i. existing / promoted by CSIR licensees;
- ii. established by CSIR scientists;
- iii. having in-house R&D units recognised by DSIR;
- iv. having activities in which CSIR could provide significant S&T support;
- v. manufacturing high tech products.

10.1 Terms & Conditions

- i. CSIR scientists could be permitted to be members of Board of Directors/Governors/Trustees (generically referred to as BODs) of any Indian Company, Trust, Foundation, Society (hereinafter generically referred to as ORGANISATIONS);
- ii. Scientists-F and above are eligible to apply for such permission;
- iii. At any time a scientist could be on the BODs of not more than two such ORGANISATIONS;
- iv. A certificate of Conflict of Interest and/or Conflict of Commitment needs to be furnished by the scientist seeking permission (Part III; Annexure -VII);
- v. To safeguard the scientist against any possible personal liability arising out of legal or criminal defaults by the ORGANISATION, scientist is required to obtain a Certificate of Compliance (as given in Annexure-VII-A) from the functional Directors/Executive Officers of the ORGANISATION prior to each meeting of the BODs;
- vi. Exceptions to the above could be considered and approved on merits by DG, CSIR

10.2 Competent Authority for approval

DG, CSIR is the Competent Authority to approve the membership of scientists on BODs of such ORGANISATIONS. The proposal (in the proforma at Annexure - VII) duly vetted by the Director is to be forwarded to Head, Technology Networking and Business Development Division, CSIR Hqrs for processing.

11. ESTABLISHING OF BUSINESS & MARKETING ENTITIES BY CSIR LABORATORIES

Preamble

Some of the CSIR laboratories are working on highly knowledgebased products having significant potential market demand. Also, a few of the laboratories have world class facilities as well as skillbase. The marketing of these could bring in significant revenue to CSIR laboratories. However, due to absence of an appropriate mechanism hitherto, it had not been possible for the laboratories to exploit these commercially. The laboratories are now permitted to set up Business & Marketing Entities subject to terms and conditions mentioned hereinafter.

11.1 Terms and conditions

A CSIR laboratory may be permitted to establish a legally distinct non-profit entity such as Society, Trust, Foundation and Section 25 Company (hereinafter referred to as ENTITY) inter alia to exploit/ market its knowledgebase, products, databases etc. The eligibility conditions are that the laboratory over the immediate past three years period has:

- i. external cash flow through contract R&D and consultancy averaging to a minimum of 1/3rd of the CSIR (government) grant;
- ii. 50% of this external cash flow derived is commercial rupee as defined by CSIR; and
- iii. generated Laboratory Reserves is at least Rs. 3.00 crore derived from sources other than the government.

The setting up of such ENTITY is further subject to the following conditions:

- i. CSIR's government grant is not used to invest in the corpus/ equity funds etc. of the ENTITY. The ENTITY may obtain corpus/ equity funds by way of donations, grants, loans, venture capital etc.;
- ii. No budgetary support is provided by CSIR and the Laboratory to run/ for the ENTITY;
- iii. No liabilities, direct/ implied, are created against CSIR/Laboratory by the ENTITY;
- iv. All transactions/arrangements of CSIR/Laboratory with the ENTITY shall be through formal contractual instruments as required between two legal entities, CSIR Model Agreement may be referred to in this regard.

11.2 Competent Authority for approval

DG, CSIR is the Competent Authority for permitting of setting up of such ENTITIES by the laboratories. All such proposals (in the proforma at Annexure-VIII) should be forwarded to Head, Technology Networking and Business Development Division at CSIR Hqrs for further processing.

12. DEPUTATION OF SCIENTISTS ALONG WITH THE KNOWLEDGEBASE RELEASED TO INDUSTRY

Preamble

CSIR transfers knowledgebase developed in its constituent laboratories to an industrial firm either directly by the CSIR laboratory or through Business consultant or through the NRDC of India or in case of contract research through identified arrangement. If the industrial firm so requests, one or two scientists/technologists / engineers from the laboratory who have developed the knowledgebase or who have been involved in the development may be deputed to the industrial firm to associate with further development of the knowhow till the process goes into commercial production.

12.1 Procedure

Such deputation of scientists / technologists / engineers / technical officers to the licensed firm, may be done by the laboratory/ institute at the specific request of the firm and on terms by mutual agreement.

The licensed party, if it so desires, may indicate its preference for a particular scientist/ technologist/ engineer/ technical officer. This may be kept in view while deputing the staff to the concerned firm. The decision, will, however, rest with the Director of the laboratory in consultation with the scientist / technologist / engineer / technical officer concerned.

Services of such scientist /technologist/ engineer/ technical officer lent, shall be utilised for the development and commercialisation of CSIR process/patent or knowhow released to the firm.

The terms for deputation of laboratory scientist/technologist/engineer/ technical officer would be settled with the firm, in advance and recorded in writing.

In case where a CSIR process is licensed to a number of parties and more than one party requires the services of the laboratory/institute for setting up production units, the laboratory/institute may consider organising a group of a scientists/ technologists/ engineers/ technical officers in the laboratory to undertake the work on agreed terms.

12.2 Terms of Deputation

Such deputation of scientist/ technologist/ engineer/ technical officer may be for a specific period, normally not exceeding one year. The period of deputation could be extended for a further period of not more than six months or curtailed by the Director of the laboratory in consultation with the firm concerned.

The terms and conditions of scientists/ technologists/ engineers/ technical officer deputed to industry may be similar to those applicable for 'Foreign Service'. However, perks, if any, may be negotiated with the party concerned. Any change

brought about in the system of deputation to industry will be automatically applicable.

Alternatively, the scientists may be posted to the industry and the cost thereof recovered from the party or their pay and allowances paid directly to them. In addition, a suitable technical consultancy fee may also be charged and a part of it be paid to the Council servant as per existing rules.

The firm shall provide all facilities to the scientist/ technologist/ engineer/ technical officer so deputed as admissible to similar employees of the firm.

12.3 Sanctioning authority

The Director of the laboratory/institute shall be empowered to sanction deputation of scientists/technologists/engineers to the licensed firms.

Head, Technology Networking and Business Development (TNBD) Division, CSIR Hqrs/ Joint Secretary (Admn.), CSIR shall however, be kept informed of such deputation and the terms offered.

12.4 Reporting

The scientist/ technologist/ engineer/ technical officer so deputed shall submit a quarterly report of work to the Director of the Institute (Ref: Letter No. 9/106/74-L dated the 23rd April, 1975).

Terms of deputation of CSIR Scientists lent to Government/Quasi-Government / Public-Sector Enterprises/ Private Entrepreneurs in the interest of "Transfer of Technology" were detailed further in CSIR Letter No. 16(20)/61-E.II (Vol. II) dated the 1st October, 1975 as under:

- i. Scientists of the CSIR may be lent/deputed to Government/Quasi-Government/Public-Sector Enterprises/Private Entrepreneur in the interest of transfer of technology and establishing research and scientific expertise.
- ii. The terms and conditions under which their services will be made available will be negotiated by the CSIR with the borrower and there will be no restriction on the pay and allowances to be drawn from the foreign employer.
- iii. This arrangement will hold good for a period not exceeding one year in any case, at the end of which the Scientist will have to make up his mind finally either to sever connection with the CSIR or return back to his laboratory.
- iv. Foreign service contributions on account of leave salary and Pension/Employer's share of contribution to Provident Fund, according to the rules, will be paid to the CSIR for this period by the foreign employer or the Scientist concerned.
- v. His lien for this period will be maintained by the CSIR and the period will count for all purposes as service under the CSIR.

The aforesaid decisions will apply to the cases where transfer of technology from CSIR to industry is involved and not to other cases where Scientists wish to go to industry on their own volition.

Whereas there will be no restriction on the pay and allowances during the foreign service of the Scientists whose cases are covered by the aforesaid decisions, the other terms and conditions of their foreign service may be settled in the light of the 'Standard Foreign Service Terms'. The cases, which are not covered by the aforesaid decisions, will continue to be regulated as per the existing rules/instructions. The power enjoyed by the Directors/Heads of the National Laboratories in the matter of sanctioning transfer to foreign service in India will remain unaltered.

PROFORMA FOR APPROVAL OF CONTRACT R&D PROJECT

1. Project

- a) Title, Number & Accounting Code :
- b) Type (Sponsored/Collaborative/
Grant-in-aid) :

2. Client / Customer :

- a) Name and address :
- b) Category* (Type & size) :
(*Govt. Deptt./ Agency/ Voluntary / Cooperative Agency, Research Organisation,
Foreign Firm/Agency, Public/Private Sector, Large / Medium / Small / Cottage Unit)
- c) Status : New / Repeat
- d) If it is repeat, please provide a brief
statement of past experience :

3. Objective, scope and duration of the project :

**4. Does the activity fall within the approved
research areas of the laboratory :**

**5. Present state of knowledge available with lab:
in the area including IPR position**

**6. Specify the S&T inputs being provided by
client**

- (a) Programme of work with phasing,
milestones and deliverables envisaged
from CSIR :
- b) Vesting of Intellectual Property Rights :

7. Project Team (S&T Staff) :

8. Financial aspects

I. Estimated Expenses

a) On Mandays

Name & Designation	Mandays (Rs./day)	Rate	Amount (Rs.)
i.			
ii.			
iii.			
iv.			
v.			
Total			

b) Consumables/raw materials/
components : Rs.

c) Services/utilities : Rs.

Overheads @ 25% of (b+c) : Rs.

d) Equipment /Computer Usage : Rs.
(see para 1.4.2(i) d)

e) External Payments : Rs.

f) TA/DA : Rs.
(See para 1.4.2. (i) e)

g) Contingencies : Rs.
(See para 1.4.2. (i) f)

Total expenses
Sum of I(a) to I(g)

II. Intellectual Fees* - : Rs.
(@ _____ % of 'I', minimum 40% of 'I')

III. Service Tax : Rs.
(See para 1.4.2 (iii))

Total Charges (I+II+III) Rs.

IV. Schedule of payments to be received :
(Link the payments receivable to deliverables,
specify the deliverables, vis-à-vis time frame
and the amount of installment receivable from client)

* If any concession is provided on Intellectual fees, a not of justification may be enclosed.

9. Utilization of Intellectual property :
/knowledgebase generated

Licensing :

a) Exclusive/Non-Exclusive

b) Period

c) Envisaged Fee/Charges

i. Lumpsum (instalments, amount,
time, mode)

ii. Recurring royalty
(Period and basis)

10. Remarks

Project Leader
(Signature)

DECISION OF COMPETENT AUTHORITY

Director / Management Council / DG,CSIR

Signature

c.c.:

1. Project Leader
2. Sr. COA/COA/AO
3. Sr. Finance & Accounts Officer
4. Project file
5. Stores & Purchase Officer
6. In-charge Workshop / Instrumentation Cell

MAN POWER CHARGES

The manpower rates for costing of all forms of contract research, consultancy and technical services were last revised w.e.f. 1st April 2002. Due to the increase in salaries of S&T and supporting staff, competitor practices and the capacity of the market to bear the charges, GB recommended an upward revision of the charges in its 164th meeting held on March, 2005. These new rates are effective from 1st June 2005.

The minimum manpower charges for all external work shall be as follows:-

Category of Staff	Manpower rates (Rs.)	
	Per day	Per annum
a) Senior Scientist (S&T personnel of the level of Sc. F and above)	7000	14 lakh
b) Scientist (S&T personnel of the level of Sc. B and upto Sc. EII)	4000	8 lakh
c) S&T Assistants (Personnel below the level of Sc. B including Research Fellows)	3000	6lakh
d) Projects Assistants	actual cost with 40% overheads	

- Note 1: In cases where Group I & II staff contribute S&T inputs to the project their manpower charges are to be calculated at 2.5 times the median emoluments of the grade/scale on per day/per annum basis as applicable.
- Note 2: The charges shall be effective for projects/activities taken up from **1st June, 2005**.
- Note 3: These are minimum manpower charges, higher rates could be charged wherever possible.
- Note 4: While working out the manpower charges on the basis of per annum rates for different categories of staff, the number of working days in a year shall be taken as 220.
- Note 5: Per day charges will apply where total mandays for the project / assignment are less than sixty, otherwise prorata per annum manday charges shall apply.

RESEARCH UTILISATION DATA
(to be provided in soft as well as hard form quarterly)

For the quarter _____ 20 to _____ 20

From (Name of Laboratory) :

I. Major Contributions to CSIR Knowledgebase

Please include here, amongst others, information (alongwith publicity and related literature) on:

- i. Commissioning of any industrial unit based on technical assistance/consultancy / know-how supplied by the institution (list details of capital investment, capacity, value of expected output and any other special features of the unit)

- ii. Commissioning of any special Research, Design, Development and Testing facilities (list details of the facility, utility, cost etc.)

- iii. Completion of any R&D projects having significant economic/welfare/national security impact potential

- iv. Any other achievement

II **EXTERNAL CASH FLOW (ECF) FOR THE QUARTER**

S.No	Category	Govt	Indian industry	CPSE*	SPSE**	Foreign Companies	Foreign Agencies	Others
1.	Sponsored R&D							
2.	Collaborative / Cooperative R&D							
3.	Grant-in-aid R&D							
4.	R&D Consultancy							
5.	Technical services							
6.	Premia/Royalty							

*CPSE: Central Public Sector Enterprise

**SPSE: State Public Sector Enterprise

III. Intellectual Property

III.a. Developed & Available for Exploitation

S.No.	Title	Date of Development	At Scale (Quantitative)	Through Contract Projects	In-House/	Licensing "Through & Terms"

* Date when made ready for licensing.

** Channel of licensing i.e. Direct by CSIR / NRDC / TT Agency / Others

III b. Intellectual Property Licensed

S.No.	Title	Licensee*	Licensed Through CSIR/NRDC/ Others (Specify)	Terms of Licence	Effective Date of Licence

* also indicate if first licensee

III.c. Intellectual Property Productionised & Monies Accrued Thereof

S.No.	Title	Licensee	Licensed Through CSIR/NRDC/ Others (Specify)	Effective Date of Licence	Date of Commencement of Production	Plant Capacity/ Investment	Money Received Premia/ Royalty

IV. Contract Research Projects

S.No.	Client Name/Status#	Name of Project/ (Type*)	Value of Contract (Rs. Lakh)	Money Received During the Quarter (Rs. Lakh)	Date & Duration of Project	Status of Project (New/Cont./ Comp.)	Licensing of Knowhow Envisaged (Yes/No)

* SP - Sponsored Project °
CP - Collaborative Project
GA - Grant-in-aid Project

#GD - Govt. Deptt./Agency
CV - Co-operative/Voluntary Agency
PS - Public Sector @
PVT - Private Sector @
RO - Research Organisation
FO - Foreign Agency/Organisation

@ LAR - Large
MED - Medium
SM - Small
COT - Cottage

V. Consultancy Projects

S.No.	Client* Name/Status	Name of Project	Value of Contract (Rs. Lakh)	Money Received During the Quarter (Rs. Lakh)	Date & Duration of Project	Status of Project (New/Cont./ Comp.)	Licensing of Knowhow Envisaged (Yes/No)

*GD - Govt. Deptt./Agency

CV - Co-operative/Voluntary Agency

PS - Public Sector @

PVT - Private Sector @

RO - Research Organisation

FO - Foreign Agency/Organisation

@ LAR - Large

MED - Medium

SM - Small

COT - Cottage

VI. Technical Services

VI.a Training

S.No.	Title of Training Programme	Duration	Number of Trainees	Money Received for the Training

VI.b. Other Technical Services

	Number of Clients	Total Money Received (Rupees)
i. Testing/Analysis Work		
ii. Repair And Maintenance		
iii. Job Work		
iv. Supply of Information/ Databases		
v. Any Other Service Rendered (Please Specify)		

PROFORMA FOR APPROVAL OF CONSULTANCY PROJECT

1. Project Title, Number & Accounting Code :
2. Client/Customer :
 - a) Name and address :
 - b) Category * :
(*Govt.Deptt./ Agency, Voluntary / Cooperative Agency, Research Org., Foreign Firm/Agency, Public/PrivateSector; Large/ Medium/ Small/ Cottage/ Tiny Units)
 - c) Status : New / Repeat
 - d) If it is repeat, please provide a brief statement of past experience :
3. Objective, scope and duration of the project:
4. Present state of knowledge available with lab in the area including IPR position:
5. Programme of work with phasing, milestones and deliverables envisaged :
from CSIR
6. Benefits to client on utilization of project output :
7. Financial aspects :
- I. Estimated Expenses
 - a) On Mandays

Name & Designation	(No. of days) Manday Rate (Rs./day)	Amount (Rs.)
i.		
ii.		
iii.		
iv.		
v.		
Total		

* The scientists/staff included have not rendered consultancy exceeding 50 days in the FY under consideration.

- | | | | |
|------|---|---|-----------|
| b) | Consumables/raw materials/
components | : | Rs. |
| c) | Services/utilities | : | Rs. |
| | Overheads @ 25% of b+c | : | Rs. |
| d) | Equipment /Computer Usage
(see para 1.4.2 (i)) | : | Rs. |
| e) | External Payments | : | Rs. |
| f) | TA/DA
(See para 1.4.2. (i) e) | : | Rs. |
| g) | Contingencies
(See Para 1.4.2 (i) f) | : | Rs. |
| | Total expenses
[Sum of I(a) to I(g)] | | _____ |
| II. | Intellectual Fees -
(minimum = Manday Charges i.e. Ia) | : | Rs. |
| | Total Project Charges (I+II) | | _____ |
| III. | Service Tax
(See para 1.4.2 (iii)) | : | Rs. |
| | Total Consultancy Charges (I+II+III) | | Rs. _____ |
| IV. | Schedule of payments to be received:
(Link the payments receivable to deliverables,
specify the deliverables, vis-à-vis time frame
and the amount of installment receivable from client) | | |
| 8. | Honorarium payable | | |

Distributable amount upto a maximum of 2/3rd of intellectual fee or 300% of the manpower charges levied whichever is less as follows:

I. Group of Staff for the consultancy project

a) Team of Consultants (65%)

Name & Designation	% share
i.	
ii.	
iii.	
iv.	
v.	

b) Other S&T staff (15%)

Name & Designation	% share
i.	
ii.	
iii.	

c) Supporting Staff (15%)

Name & Designation	% share
i.	
ii.	
iii.	

II. CSIR Welfare Fund ----- 5%

9. Remarks

Project Leader
(Signature)

DECISION OF COMPETENT AUTHORITY

Director / Management Council / DG,CSIR

Signature

C.c.

1. Project Leader
2. Sr. COA/ COA/ A.O.
3. Sr. Finance & Accounts Officer
4. Project file
5. Stores & Purchase Officer
6. In-charge Workshop / Instrumentation Cell

PROFORMA FOR SEEKING SECURITY & SENSITIVITY CLEARANCE FOR PROJECTS INVOLVING FOREIGNERS/ FOREIGN COLLABORATION

1. Proforma

The proposals for undertaking any and all projects involving foreigners/foreign collaboration by CSIR and the laboratories after due diligence of scrutiny be referred to Head, TNBD or Head, ISTAD at CSIR, Hqrs as the case may be in the following format for obtaining security and sensitivity clearance. [OM No. 22-2(2)/2004/ISTAD]

- i. Title and short description of the project;
- ii. Name, address, nature of organization and the activities of foreign collaborator/sponsor and more specifically of the direct collaborator;
- iii. Details of past collaborations, if any, by the collaborator/sponsor with the applicant lab./other CSIR lab.(s)/other Indian institution(s);
- iv. Details if any, available on R&D projects of sensitive and national security, taken up and/or funded by the sponsor/collaborator in the past in its own country or any other country;
- v. Genesis to the origin of the project;
- vi. Total cost (in Rs. and Foreign Exchange) and duration of project;
- vii. Foreign support/collaboration (details):
 - a) Financial support (Rs. & Foreign Exchange)
 - b) Equipment support
 - c) Technical support
 - d) Manpower training/exchange ((Indian/foreign)
 - e) Data/Informational support
 - f) Miscellaneous/others (use of facilities, ship, computers etc.)
- viii. Justification/need for foreign sponsorship/collaboration and likely benefits (scientific, economic, societal, strategic etc.) for the laboratory/CSIR/and India;
- ix. The project involves (give details):
 - a) Referring to or sourcing of strategic/sensitive material/ information;
 - b) Transfer of biological material(s) to the collaborator/sponsor;
 - c) Use of genetically modified organisms;
 - d) Use of environmentally or otherwise hazardous material(s);
 - e) Use of radioactive materials;
 - f) Field surveys/trials/proving/collection/testing (give locations);
 - g) Intellectual Property Rights (IPR) generation/exploitation/ use;
 - h) Visits if any, by the personnel of foreign collaborator/sponsor to India; if so, the places/institutions to be visited and likely duration;
 - i) Ethical issues in conducting of the project;

If answer to any of the points in (ix) is 'yes', the investigator/proposer to give undertaking to abide by relevant and extant CSIR/national regulations and guidelines on the subject.

- x. Any conditionalities on use of project results for strategic and/or national security uses;
 - xi. Any other relevant information not covered above; and
 - xii. Endorsement and specific recommendations of Director of the lab that:
- The project does not involve any national security and/or sensitivity angles either proximately or remotely now or in the foreseeable future.

Or

- The project involves issues of national security and/or sensitivity (specify) and due diligence has been exercised in the laboratory and measures (specify) put in place to adequately safeguard the security and sensitivity issues.

2. Scrutiny of Proposals at the Laboratory:

Prior to submission of the proposal for clearance as above, the proposal shall be scrutinised at the laboratory level by the Director with respect to the following guidelines namely that:

- i. the project is related to national/CSIR/laboratory research priorities and interests;
- ii. there is need for foreign collaboration in the specific field/subject;
- iii. the foreign collaboration is expected to add value or bring benefits to the laboratory/CSIR and the nation;
- iv. **the field/subject of the project does not have a bearing on sensitive matters – political, regional, religious, communal, social, tribal and/or on security, including industrial and technological and on the country's commercial interests, either proximately or remotely;**
- v. the project would not allow access by foreigners to sensitive information or data or material;
- vi. the end-use of the results of the study do not impinge on areas of national security, or on the areas which are 'sensitive', particularly through custody and control over data and its dissemination/publication to the detriment of national security or interest, now or in the foreseeable future;
- vii. appropriate measures to ensure necessary security have been/will be put in place in case of visits by foreigners to sensitive areas or institutions;
- viii. for projects involving cruise of foreign vessels in Indian EEZ and/or flight of foreign aircraft over Indian territory clearance of appropriate inter-ministerial group(s)/Ministries/Departments has been obtained and specifically mentioned thereto.

3. Scrutiny of Proposals at the Hqrs

The project proposal in the prescribed format alongwith the information on scrutiny at lab level be referred to Head, TNBD Division/Head, ISTAD Division at CSIR Hqrs as the case may be for seeking clearance from security & sensitivity angles. The proposal shall be examined and processed by the respective division as follows:

- i. Those not involving any security and sensitivity issues will be put up to Secretary, DSIR and DG, CSIR for his approval on behalf of High Level

Committee(HLC) of the Government and the laboratory informed accordingly within 3 weeks of receipt of full details;

ii. Those involving security and/or sensitivity aspects will be submitted by correspondence for approval to other relevant Ministries/ Departments/State Governments and processed as follows:

a) In case the proposal is cleared by all relevant agencies;

Or

b) In case no response is obtained from referred agencies within 6 weeks;

The proposal will be put up to Secretary, DSIR & DG, CSIR for approval/clearance on behalf of the HLC and the laboratory informed accordingly within 8 weeks of receipt of full details.

c) In case an agency, prior to the expiry of 6 weeks seeks more time for examination then the proposal would be kept pending for that time and thereafter processed appropriately. The laboratory will be kept informed of the position within 8 weeks of the receipt of full details;

d) In case the proposal is not cleared by any of the concerned agencies, it will be submitted to Secretary, DSIR & DG, CSIR for permission to forward it alongwith completed prescribed government checklist and CSIR's recommendations to the Department of Science and Technology for the consideration and decision of the HLC. The laboratory will be informed of non-clearance of the proposal by any agency within 8 weeks of receipt of the full information.

CONSULTANCY WORK BY STAFF OF GOVERNMENT INSTITUTIONS

Copy of Office Memorandum No. F-11(2)-E.II(B)/63 dated the 6th May, 1963 from the Govt. of India, Ministry of Finance (Department of Expenditure), New Delhi addressed to all Ministries etc. Departments.

Subject: Private Consultancy Work by the Staff of Government Institutions.

1. At present, some categories of staff of some Government Institutions (particularly the teaching staff of technological institutions like the Indian Institutes of Technology, Bombay, Madras, Kanpur & Kharagpur, the Delhi Polytechnic, etc.) are permitted to undertake private consultancy work and to receive fees from private parties in respect therefore, subject to certain conditions.
2. The position in this regard has been reviewed and it has been decided that, with immediate effect, private practice (whether it be in the nature of consultancy work or of some other type of work) should not, except in the types of cases referred to in paragraph 4 below, be permitted to any member of the staff in any Government institution.
3. The purpose of permitting private practice to officials, viz. to enable them to keep pace with the scientific / technological advances that are taking place in their respective fields and to improve their professional competence, can be served by the institution concerned itself taking up the consultancy work. The following procedures may be adopted in such cases of institutional consultancy:
 - i. the institutions taking up the consultancy work will entrust the work to selected staff members;
 - ii. as far as possible, the staff members selected for the work should have the confidence of the client;
 - iii. the fees received for rendering the consultancy work will be credited to the funds of the institution;
 - iv. the institution may sanction suitable honorarium to the members of the staff who actually execute the work. The honorarium should be fixed having regard to the nature of the work, the amount of the time spent on it and the extent of facilities provided by the institution for the work. But the total amount of honorarium paid to the members of the staff should not exceed 2/3 of the total fees received for the work by the institution.
4. In the case of an officer appointed on contract, who under the terms of contract, is entitled to have private consultancy practice, these orders will be applied to him from the date following the date of expiry of the present contract. But, if the present contract of such an officer is for an indefinite period, these orders will be applied in his case after the expiry of two years from the date of issue of these orders.
5. The Ministry of Scientific Research & Cultural Affairs, etc. is requested to bring these orders to the notice of the institutions etc. under their administrative control.

**PROFORMA FOR SEEKING APPROVAL FOR
MEMBERSHIP ON BOARD OF DIRECTORS (BODs) OF A
COMPANY/FOUNDATION/SOCIETY/TRUST (ORGANISATIONS)**

I. PARTICULARS OF THE SCIENTIST

- i. Name/ Designation of the Scientist
- ii. Laboratory/Division
- iii. Date of Joining CSIR
- iv. Area of expertise of the Scientist
- v. Particulars of Membership on BODs of Other ORGANISATIONS

II. PARTICULARS OF THE ORGANISATION (Please enclose past two years Annual Reports or if new organisation, its Memorandum of Association/Articles of Association)

- i. Place of Registration & Relevant Act under which Registered
- ii. Names and Addresses of the Members of BODs/PROMOTERS
- iii. Activities of the ORGANISATION
- iv. Details of Foreign linkages/collaboration of the ORGANISATION
- v. Period/ Duration for which permission is sought
- vi. Remuneration to be paid by the ORGANISATION
- vii. Likely direct/indirect benefits to CSIR laboratory of the Scientist functioning on BOD of the ORGANISATION

**III. CERTIFICATE OF CONFLICT OF INTEREST/CONFLICT OF COMMITMENT
(To be filled in and signed by the Scientist)**

1. I have following associations/relationship with the ORGANISATION

Nature of Association/Relationship	Pecuniary Benefits	Date from and to
------------------------------------	--------------------	------------------

2. I and or members of my family do not have any relationship /association/commitment/activities with the ORGANISATION or its associates/subsidiaries which may give rise to Conflict of Interest and/or Commitment, with respect to CSIR activities/knowledgebase

(Signature)

IV. RECOMMENDATIONS OF THE DIRECTOR

(Signature)

Date: _____

EXPLANATION:

- i. Conflict of Interest arises when the proposed membership on BOD is such as to diminish the potential and prospects of marketing the CSIR/laboratory's present or potential knowledgebase or R&D output.
- ii. Conflict of Commitment arises when the proposed membership on BODs interferes or appears to compromise the Scientist's responsibilities to tasks / performance / position in the CSIR/laboratory.

COMPLIANCE CERTIFICATE

I _____ Managing Director/CEO on behalf of the
_____ (Name of the ORGANISATION) do hereby certify
that the ORGANISATION and its officers have acted with reasonable care and
circumspection and complied with the obligations arising under the Companies Act/
Societies Act/ Cooperative Societies Act, Income Tax Act, Sales Tax Act, Employees'
Provident Fund Act, Employees' State Insurance Act and all other provisions of various
Labour and Economic Legislations and other Rules/Guidelines and the procedures laid
down by the Government as made applicable to the ORGANISATION from time to time.

The Certificate shall be valid from _____ to _____.

(Signature)

**PROFORMA FOR SEEKING APPROVAL OF DG,CSIR FOR
ESTABLISHING BUSINESS & MARKETING ENTITY**

I. PARTICULARS OF LABORATORY

1. Name & Address

2. Eligibility conditions

(Please give figures of last three years)

	Year		
	I	II	III
(a) CSIR Government grant			
(b) External Cashflow through			
i. Contract R&D			
ii. Consultancy Services			
iii. Technical Services			

Total

(c) Source of External Cashflow

- i. Govt. Departments
- ii. Public Sector Undertakings
(Central & State)
- iii. Private Sector Companies/
Organisations
- iv. Foreign companies
- v. International/ Foreign agencies

Total

(d) Laboratory Reserves

(e) Source of Laboratory Reserve

- i. Govt. Departments
- ii. Public Sector Undertakings
(Central & State)
- iii. Private Sector Companies/ Organisations
- iv. Foreign companies
- v. International/ Foreign agencies

Total

II. PARTICULARS OF PROPOSED BUSINESS & MARKETING ENTITY

1. Proposed name, registered address and location
2. Nature of ENTITY (Society/Trust/Foundation/Section 25 Company)
(Please enclose Memorandum of Association/Articles of Association)
3. Objectives
4. Financing Scheme
5. Names and Addresses of Promoters and Proposed members on the Board of Directors
6. Significant Activities envisaged
7. Envisaged Functional/Organisational/Managerial/Financial/ Technical relationship with the CSIR/Laboratory
8. Any other information

III. CERTIFICATE BY DIRECTOR OF THE LABORATORY

The _____ will be a separate legal entity and all transactions/arrangements between the laboratory and _____ shall be as that between two legal entities. The laboratory has not invested CSIR grant or portion thereof in the equity / corpus fund of and or provided budgetary support to _____. The CSIR/laboratory shall have no liability for and towards any act of omission or commission by the _____ or its employees.

(Signature)

**PROFORMA TO BE SIGNED BY THE LABORATORY AND
LICENSEE ON COMPLETION OF TRANSFER OF KNOW-HOW**

1. Name of the process _____
2. Indian/Foreign Patent Application Number _____
3. Name of Instt./Lab. _____
4. Name and address of the _____
Licensee _____

5. Terms & Conditions for release of know-how
 - a) Lumpsum premium _____
 - b) Recurring royalty _____
 - c) Nature of licence _____
 - d) Period of Licence _____
6. Date of agreement _____
7. Details of the know-how given to the licensee (e.g. process data, raw materials and utilities required, flow sheet, drawings, list of equipment and machinery and specifications & materials of construction, cost data, scale of demonstration, training if any etc.)

This is to certify that in pursuance of the licence agreement with National Research Development Corporation of India for the Commercial exploitation of the process, the know-how as detailed above has been given to the representatives of M/s _____ and the representatives of the firm are fully statisfied with the working of the process and the know-how given to them as detailed in para 7.

Director Laboratory/
Institute or his representative

Representative of the
Licensee