

File No.7/4/2019-AEI (18895)

Dated 09th April, 2019

**Department of Heavy Industry**  
**AEI Section**

**Expression of Interest**  
**Inviting**  
**Proposals for R & D Projects related to**  
**Automobile Sector under Grant for Development Council for Automobile**  
**and Allied Industries (DCAAI)**  
**From**  
**Industry in Collaboration with IITs/NITs, ARAI and such like Institutions**

**Department of Heavy Industry**  
**Ministry of Heavy Industries & Public Enterprises**  
**Government of India**  
**Udyog Bhawan**  
**New Delhi**

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## **INVITATION FOR EXPRESSION OF INTEREST**

Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises invites Expression of Interest (EoI) from Industry in Collaboration with IITs/NITs, ARAI and similar Institutions related to Automobile Sector under Grant for Development Council for Automobile and Allied Industries (DCAAI).

This EoI document lays out the details of qualification, criteria, submission requirements, brief objective & scope of work, funding by GoI and evaluation criteria etc. as mentioned in this document.

The complete proposals along with relevant documents shall be submitted to the Under Secretary (AEI), D/o Heavy Industry at the following address by 7th May, 2019.

The Under Secretary (AEI)  
Department of Heavy Industry  
Room No. 428, Udyog Bhawan, New Delhi – 110011  
Tel. No. 011-23061140  
Email: [simmi.narnaulia@nic.in](mailto:simmi.narnaulia@nic.in)

**Guidelines for examination, assessment of the application received for providing financial support and monitoring with SOP in respect of Grant to R & D / technology / skill / design promotion under DCAAI.**

**1. Introduction:**

- i. According to I(D&R) Act 1951, for the purpose of advising the Government on matters concerning the development and regulation of Scheduled Industries, Government may establish a Development Council in order to increase the efficiency or productivity in the scheduled industry or group of scheduled industries, to improve or develop the service that such industry / industries renders or could render to the community or to enable such industry to render such service more economically. Development Council receives budgetary support from Government of India.
- ii. This budgetary support shall be utilised for the scheduled industry/ Group of scheduled industry for the purpose of :
  - a. ***Promoting scientific and Industrial research***
  - b. ***Promoting improvements in design & quality***
  - c. ***Providing for the training of technicians and labour***

**2. Objectives:** To provide support to Indian entities for undertaking activities not covered in any other Govt. scheme towards auto and agricultural tractor sector:-

- a. Innovations,
- b. R & D,
- c. Prototype development,
- d. Technology development,
- e. Technology Co-development,
- f. Technology/ IPR Acquisition,
- g. Alternate technologies
- h. Skill Development
- i. Export Promotion Projects for marketing, capacity building and technological services.
- j. Such other activities needed for promotion & development of tractor & auto sector

### **3. Duration of the project: 2-3 years**

### **4. Eligible organizations:**

Automotive Industry in Collaboration with IITs/NITs, ARAI and such like Institutions related to Automobile Sector. While the institutions can also apply independently, in relevant cases, Industry Associations may also apply with or without the collaboration of above institutions.

### **5. Extent of grant funding:**

- a. Grants up to 80% of the net budget (i.e. excluding earnings). Proposals with greater matching funds from industry etc. will be encouraged.
- b. Total grant for any project would not exceed Rs.3.0 crore.
- c. To be disbursed / reimbursed as per GFR.
- d. The funding will have to be linked to clearly defined and measurable deliverables.
- e. In case profits are made, the applicant is under obligations to return back the grants.
- f. Grants cannot be used for purchase of land, building, construction or renovation.
- g. In case of other than Government entities applying for grant, then grant will be provided to the Academic Partner only. In case it is from Industry Association, then it would be to that Association only.
- h. Memorandum of Understanding (MoU) would be entered into with the institutions which have been awarded the projects. Those with industry involvement may have back to back agreements with industry or tripartite agreements as the case maybe.
- i. The Institutions or Organisations seeking Grants should certify that it has not obtained or applied for Grants for the same purpose or activity from any other Ministry or Department of the Government of India or State Government except cases where there are inter-ministerial MoUs.
- j. Overhead cost of the project should be @10% of the project cost or Rs. 15 Lakhs, whichever is less.
- k. Contribution from the industry partners and from the implementing agencies, only in form of cash will be calculated for overall cost of the project.

## 6. Procedure:

- a. Proposals to DHI will be filtered by a Pre-screening Committee of experts before the shortlisted projects are put up to a Screening Committee (SC) headed by Joint Secretary (Auto) for eligibility. The committee will associate experts as required.
  - b. The SC will interact with the applicants to finalize details of fund support based on an assessment of the relevance and priority (of concerned subject). SC would also consider the status of previous projects and their Utilization status (if any) awarded to the same organization/groups. The committee will also examine the proposal technically and financially and recommend to the Main Committee for approval.
  - c. Main Committee headed by Secretary, DHI and comprising the Financial Adviser of the Department among others will consider the projects and accord their final administrative and financial approval. The committee will associate experts as required.
  - d. Each committee will need up to one month to take a decision on the proposals.
  - e. Applications may be submitted in the format developed for this purpose (attached).
  - f. Proposals can be submitted till 7<sup>th</sup> May, 2019.
  - g. The Govt. reserves rights to fast track approvals in exceptional / public interest cases.
  - h. Funds will be released subject to their availability.
7. **Release of Funds:** as per GFR/GOs. Securitization of grants may be sought in cases where the need is assessed.
8. **Monitoring, Reporting and Impact Analysis:** As per GFR/GOs. DHI shall examine the progress reports and shall also do a direct assessment of the work progress as per defined deliverables on half yearly basis. The physical verification may be made when the project is complete by DHI. The Department may at their discretion carry out a review of projects by involving experts.
9. **IPR:** Guidelines are enclosed.
10. **Failures:** Delayed utilisation w.r.t. to the agreed timelines with the funding agency, may result in interest penalties and /or legal actions as

per the law of the Land. The applicant will also be liable to be black listed to receive any further Central - State Government assistance for a period of five years.

11. The Department, with the approval of Secretary, Heavy Industry reserves the right to modify any of the above terms and conditions if considered warranted in larger public interest.

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### **SC: Screening Committee**

1. **Constitution:** Screening Committee would be headed by JS(Auto) with Director (Auto) to be Member Secretary. The committee would associate experts form other Departments and stakeholders
2. **Scope:** The review would be based on administrative appraisal, funding and priority (of concerned subject) viewpoint. Status of previous projects and their Utilization status (if any) awarded to the same organization/groups would also be reviewed by SC during evaluation process.
3. **Modus operandi:** SC would give its recommendations to Main Committee once it has completed reviewing the project.

### **MC: Main Committee**

1. **Constitution:** Main Committee would be headed by Secretary(DHI) and would include the Financial Adviser of the Department. JS(Auto) would be Member Secretary. The committee will associate experts as required.
2. **Scope:** To assess and review the project proposal shortlisted and recommended by SC.
3. **Modus operandi:** MC would give the final administrative and financial approval.

**Project Proposal Format**

**CONTENTS**

<b>S. No</b>	<b>ITEMS</b>	<b>Page No.</b>
I	Executive Summary	
II	Detailed Project Information	
III	Budget Estimates	



## I. EXECUTIVE SUMMARY

<b>Project Title</b>	
<b>Project Cost (Rs.in lakh)</b>	
<b>Duration (in Months)</b>	
<b>Lead Organization</b>  PI Name:  Address:  Phone:  E-mail:	
<b>Status of Lead Organization</b>	
<b>Partner Organization</b>  Co-PI Name:  Address:  Phone:  E-mail:	
<b>Status of Partner Organization</b>	
<b>Objectives</b>	
<b>Methodology</b>	
<b>Deliverables</b>	

## Details of Project Cost:

- **Funds required from DHI:**

(Rs. In lakh)

Sl. No	Item Head	Year 1	Year 2	Total
<b>A</b>	<b>Non-recurring (Capital Items)</b>			
1	Permanent Equipment			
2	Plant cost /Fabricated systems/ Demonstration models			
	<i>Subtotal (capital items)</i>			
<b>B</b>	<b>Recurring Items (General)</b>			
1	Manpower			
2	Consumables			
3	Testing			
4	Contingencies			
5	Travel			
6	Other Costs (Outsource work etc.), if any			
7	Overhead			
	<i>Subtotal (General)</i>			
<b>C</b>	<b>Total cost of the project (A+B)</b>			

A. **Total Funds Required from DHI (Rs. in lakh):**  
(Mention breakup of the total funds in case of multi institutional projects)

- Lead Organization
- Partner Organization

**B. Contribution of Participating Institution(s), if any (only Cash ):**

- Lead Organization
- Partner Organization

**C. Total Project Cost (A+B) (Rs. in lakh):**

## II. DETAILED PROJECT INFORMATION

**1. Project Title:**

**2. Lead Organization:**

**3. Partner Organization:**

**4. Introduction:**

(Project Brief – Background and Current Scenario)

**5. Need of the Project:**

**6. Project Cost (Rs. in lakh):**

**7. Project Objective(s):**

**8. Implementation Methodology:**

**9. Project Deliverables / Outcome:**

**10. Relevance of the Project Outcome to the Industry / Society:**

**11. Target Beneficiaries:**

**Project Work Plan:**

<b>Work Package (WP)</b>	<b>Activity / Milestone</b>
WP 1	
WP 2	
WP 3	

**Details on WP 1:**

Deliverable(s)

**Details on WP 2:**

Deliverable(s)

**Details on WP 3:**

Deliverable(s)

**Project Timeline:**

WP No.	Work Package	Year 1				Year 2			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WP 1									
WP 2									
WP 3									

**13. Facilities and Infrastructure available with Lead Organization / Partner Organization for implementing the Project**

Sl. No	Equipment Name	Purpose
<b>Lead Organization:</b>		
<b>Partner Organization:</b>		

### III. BUDGET ESTIMATES

#### I. FUNDS REQUIRED FROM DHI:

(Rs. in lakh)

Institute Name in Consortium	Capital Items (A) (Non-recurring)	Other Items (B) Recurring Head	Total (C =A+B )
<b>Total</b>			

A. Total requirement of funds from DHI:  
(Mention breakup of the total funds in case of multi institutional projects)

- Lead Organization
- Partner Organization

B. Contribution of Participating Institution(s), if any:

- Lead Organization
- Partner Organization

C. Total Project Cost (A+B):

1. **Lead Organization:**

a) **DHI Support:**

(Rs. In lakh)

Sl. No	Item Head	Year 1	Year 2	Total
<b>A</b>	<b>Non-recurring (Capital Items)</b>			
1	Permanent Equipment			
2	Plant cost /Fabricated systems/ Demonstration models			
	<i>Subtotal (capital items)</i>			
<b>B</b>	<b>Recurring Items (General)</b>			
1	Manpower			
2	Consumables			
3	Testing			
4	Contingencies			
5	Travel			
6	Other Costs (Please specify)			
7	Overhead			
	<i>Subtotal (General)</i>			
<b>C</b>	<b>Total cost of the project (A+B)</b>			

**b) Contribution of Lead Organization** (Estimated value in case contribution is in kind):

(Rs. In lakh)

Sl. No	Item Head	Year 1	Year 2	Total
<b>A</b>	<b>Non-recurring (Capital Items)</b>			
1	Permanent Equipment			
2	Plant cost /Fabricated systems/ Demonstration models			
	<i>Subtotal (capital items)</i>			
<b>B</b>	<b>Recurring Items (General)</b>			
1	Manpower			
2	Consumables			
3	Testing			
4	Contingencies			
5	Travel			
6	Other Costs (Please specify)			
7	Overhead			
	<i>Subtotal (General)</i>			
<b>C</b>	<b>Total cost of the project (A+B)</b>			

**2. Partner Organization:**

**a) DHI Support**

(Rs. in lakh)

Sl. No	Item Head	Year 1	Year 2	Total
<b>A</b>	<b>Non-recurring (Capital Items)</b>			
1	Permanent Equipment			
2	Plant cost /Fabricated systems/ Demonstration models			
	<i>Subtotal (capital items)</i>			
<b>B</b>	<b>Recurring Items (General)</b>			
1	Manpower			
2	Consumables			

3	Testing			
4	Contingencies			
5	Travel			
6	Other Costs (Please specify)			
7	Overhead			
	<i>Subtotal (General)</i>			
<b>C</b>	<b>Total cost of the project (A+B)</b>			

**b) Contribution of Partner Organization** (Estimated value in case contribution is in kind):

(Rs. in lakh)

Sl. No	Item Head	Year 1	Year 2	Total
<b>A</b>	<b>Non-recurring (Capital Items)</b>			
1	Permanent Equipment			
2	Plant cost /Fabricated systems/ Demonstration models			
	<i>Subtotal (capital items)</i>			
<b>B</b>	<b>Recurring Items (General)</b>			
1	Manpower			
2	Consumables			
3	Testing			
4	Contingencies			
5	Travel			
6	Other Costs (Please specify)			
7	Overhead			
	<i>Subtotal (General)</i>			
<b>C</b>	<b>Total cost of the project (A+B)</b>			

## II. DETAILS OF ITEMIZED BUDGET:

### Lead Organization Budget:

Name of the Institute:

#### A. Non-recurring (Capital Items)

A1. Equipment:

Description of Equipment	Unit Landed Price (Rs.in lakh)	No. of Equipment	Total Cost (Rs. in lakh)	Remarks
<b>Total</b>				

A2. Fabrication system: Tailor made models/ experimental set up (if any):

Description of Equipment	Unit Landed Price (Rs.in lakh)	No. of Equipment	Total Cost (Rs. in lakh)	Remarks
<b>Total</b>				

#### B. Recurring Items (General)

B1. Manpower

Designation	No. of Persons	Manpower Cost (Rs. in lakh)		
		Year 1	Year 2	Total
<b>Total</b>				

B2. Consumables

Items	Unit Price	Qty.	Amount (Rs. in lakh)	Remarks
<b>Total</b>				



### B3. Contingencies

<b>Items</b> <i>(Unforeseen expenses, patents, report preparations etc.)</i>	<b>Amount</b> <b>(Rs. in lakh)</b>	<b>Remarks</b>
<b>Total</b>		

### B4. Travel

<b>Description</b>	<b>Amount</b> <b>(Rs. in lakh)</b>	<b>Remarks</b>
<b>Total</b>		

### B5. Other Costs, if applicable

<b>Item</b>	<b>Total (Rs. in lakh)</b>	<b>Remarks</b>
<b>Total</b>		

### Partner Organization Budget:

**Name of the Institute:**

#### **A. Non-recurring (Capital Items)**

##### A1. Equipment:

<b>Description of Equipment</b>	<b>Unit Landed Price</b> <b>(Rs.in lakh)</b>	<b>No. of Equipment</b>	<b>Total Cost</b> <b>(Rs. in lakh)</b>	<b>Remarks</b>
<b>Total</b>				

A2. Fabrication system: Tailor made models/ experimental set up (if any):

Description of Equipment	Unit Landed Price (Rs.in lakh)	No. of Equipment	Total Cost (Rs. in lakh)	Remarks
<b>Total</b>				

## B. Recurring Items (General)

### B1. Manpower

Designation	No. of Persons	Manpower Cost (Rs. in lakh)		
		Year 1	Year 2	Total
<b>Total</b>				

### B2. Consumables

Items	Unit Price	Qty.	Amount (Rs. in lakh)	Remarks
<b>Total</b>				

### B3. Contingencies

Items <i>(Unforeseen expenses, patents, report preparations etc.)</i>	Amount (Rs. in lakh)	Remarks
<b>Total</b>		

B4. Travel

<b>Description</b>	<b>Amount (Rs. in lakh)</b>	<b>Remarks</b>
<b>Total</b>		

B5. Other Costs, if applicable

<b>Item</b>	<b>Total (Rs. in lakh)</b>	<b>Remarks</b>
<b>Total</b>		

## **IPR GUIDELINES**

The main objective of bringing out IP licensing or know-how transfer through IPR and Knowledge base guidelines is to spread the technologies by charging nominal cost for the developed technologies through this scheme to other potential production units, mainly SMEs. The idea behind this is that advanced technologies are accessed by many local and small companies. The technologies including knowledge base developed under the given project/s, which could be either patented or not, would be shared in the form of know-how, designs & drawings, materials, manufacturing process, product technology, etc.

IPRs on technologies which will be accrued on the basis of the result of technology development undertaken through the research projects under the EOI:

- a. In general IPR will be held jointly by Project Implementing Organisation (PIO), Participating Industry (PI) and DHI
- b. In special cases, if Intellectual Property (IP) is the result of sole contribution by the PIO or the PI, then the concerned PIO or the PI will own the IP solely.
- c. IP/ IPR with joint ownership of PIO, PI and DHI will not be transferred to any other party for a period of three years from the date of issue of communication from Department of Heavy Industry (DHI) to PIO conveying closure of the Project.
- d. However, depending on the circumstances on a case to case basis consideration, Screening Committee may extend the lock-in period beyond three years with the approval of Main Committee.
- e. PIs will have free perpetual right to the IPs generated by them jointly with PIO or solely even after lock-in period.
- f. Once the IP comes to public domain after the initial lock-in period, the issue of licensing and royalty will be finalized jointly by DHI, PIO and PI.

**g. Key information required at DPR stage:**

- i. The IPR categories to be considered are (a) Existing IP (b) New IP & (c) Pooled IP. Know-how has to be generated and held in confidence among the participants, to go and acquire IPR on them later on. Every know-how cannot be registered with the Patents Authority; only a subset can be.
- ii. The background and the foreground IPs relating to the project should be spelled out clearly before the start of the project. Further place of the development of each technology & making of the prototype either at PIO or PI is required to be brought out in the DPR.
- iii. During the phase of the incremental innovation, DHI to consider whether any third party IP's are getting into the technology being developed. If so, either getting license or acquire the technologies may be considered during the DPR to avoid suits and infringements later. Further, if new IP is being acquired or licensed the prosecution history should be considered whether the same has any litigation, suits or prosecution pending.
- iv. Budget for IP filing to be specified clearly. PIO is required to file IPs. Contribution of DHI, PI and PIO for filling of IPR must be brought out clearly.
- v. The policy for its renewals to be followed must be brought out clearly.
- vi. Structure the project into either Work-Packages or as clearly identified Task List, with identified Roles & Responsibilities. Tasks to be undertaken by each partner shall be listed. If a PI does not plan to do any technology work, then they are not to be called a partner, but as a mere recipient of the results.

**b. Ownership**

- i. Any inventions made jointly by PIO and PI will be patented jointly; any such inventions made by either of the parties independently will be patented individually. Each will inform the other before such action.
- ii. In special cases, IP is the result of sole contribution by the PIO or the PI, then the concerned PIO or the PI will own the IP solely. However, in that case, the Government has every right to license the technology to other manufacturers after a lock-in period as decided.
- iii. The PI and PIO shall continue to have an independent ownership over Background IPR that is supplied by the partners at the start of the DHI

- funded project. Provided relevant technical details and documents with respect to ownership and prosecution history of such IPR are disclosed and duly furnished to DHI in DPR including details pertaining to any third party IPR, if so involved.
- iv. The ownership on Sideground / Postground IPR generated outside the DHI funded project by any of the Project Partners out of its own resources during or after the expiry of the DHI funded project shall solely vest with the respective partners. However, in case of patent additions i.e. any improvement or modification performed (during or after the tenure of the DHI funded project) to the original patent developed jointly for the purpose and during the tenure of the DHI funded project, such IPR shall be deemed to be an IPR generated for the purpose of DHI funded project. Further, such IPR shall be commercialized as per terms as laid down by DHI in consultation with the Project Partners.

**c. Filing of IPs**

- i. PIOs are required to file IPs.
- ii. IP to be filed for all the subsystems & also for the product comprising the systems as the subsystems may have multiple applications
- iii. The IPR categories to be considered are Existing IP, New IP & Pooled IP.

**d. Lock-in period**

- i. A Bilateral Project (1 PI + 1 PIO) or a Consortium project where PIs are technology partner not merely recipient of technologies by the way of financial contribution would need a lock-in period for IPs & knowledgebase
- ii. Lock in period of 3 years, extendable on case to case basis from the date of issue of communication from DHI to the PIO conveying closure of the Project when DHI contribution is between 60-80% for the developed components/subsystems etc. and similarly lock-in period of 3 years extendable on case to case basis in the case of DHI contribution of less than 60%.

**e. Methods of IP sharing after the completion of lock-in period decided under the guidelines**

- i. IPs /Know-how / design of a component or sub-systems developed from the project shall only be licensed to the third parties
  - ii. The freedom to transfer the technology after the lock-in-period should be available to PIO and PIs, for which consultation of DHI will be necessary.
- f. PIO will have non-exclusive, non-transferable, non-sub licensable, royalty free rights for commercialization of the IPs in consultation with DHI.

**Reporting by PIO & PI to DHI**

- i. The Project Partners shall submit information relating to the details of the patent obtained & knowledge base generated the benefits accrued and earnings arising out of IPR & knowledge base and the turnover of the machine & its subsystems, wherever applicable, every 6 months to DHI.

## **Definition of key words used given below:**

**PIO** – Project Implementing Organisation or grantee institution is an either academia of national repute / academia accredited by National Board of Accreditation of AICTE and involved in research in the field of capital goods sector or R&D institution recognised by the Government or its Body duly approved by the Government to undertake the research & development of components/parts, sub-systems etc. to commercialise later in the partnership of manufacturer/s.

**PI** –Participating Industry or Consortium of Industry is a manufacturer of automotive components or its subsystems etc., which intends to develop the technology (ies) for its commercialisation in collaboration with PIO.

**Project Partners** - the PI and PIO collectively referred to as Project Partners.

**Third Party** - Any non-governmental organization with whom the PIO and the PI interact for any activity with / without exchange of consideration in cash or kind.

**Patent** - is an exclusive right granted for an invention, which is a product or a process that provides a new way of doing something, or offers a new technical solution to a problem.

**Intellectual Property** - Intellectual property refers to creations of the mind: inventions; literary and artistic works; and symbols, names and images used in commerce. Intellectual property is divided into two categories: Industrial Property includes patents for inventions, trademarks, industrial designs and geographical indications.

**Intellectual Property Rights** - Intellectual property rights refers to the general term for the assignment of property rights through patents, copyrights and trademarks. These property rights allow the holder to exercise a monopoly on the use of the item for a specified period.



**Inventor(s)** – A person or a group of persons responsible for creating an IP. In case, creation of IP is associated with more than one inventor, one of them, from PIO or PI, would be a lead inventor.

**Background IPR:** the existing IPR which is required for the use of DHI funded project before the start of the project is known as Background IPR.

**Foreground IPR:** The IPR generated through joint research and joint efforts by the Project Partners in the DHI funded project is known as Foreground IPR.

**Sideground / Postground IPR:** The IPR generated outside the DHI funded project by any of the Project Partners out of its own resources during or after the expiry of the DHI funded project is known as sideground / postground IPR.

**Non-exclusive** - In this type of licensing, the licensor is permitted to enter into agreements with more than one entity for use and exploitation of the IP. In other words, the same IP may be used by many licensees at the same time for the same purpose or for different purposes.

**Non-transferable-** A non-transferable license means that the licensee cannot assign or otherwise convey the license to any other party without the licensor's consent.

**Non-sub licensable** - when a licensee wishes to further license the IP & knowledgebase to another party/(ies) but the same is prohibited under this clause.

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