

(29.1.1) Sub: Clarifications/modifications to CSIR Guidelines for Technology Transfer and Marketing of Knowledgebase (1989).

The guidelines for Technology Transfer and Marketing of CSIR Knowledgebase, have been in force from April 1, 1989. Comments invited from laboratories on problems/difficulties in implementing the guidelines, were discussed at the Annual Business Meeting of laboratory personnel in charge of Technology Transfer and Marketing on January 30-31, 1990 at Pune. The approved clarifications on/modifications to, specific aspects of the Guidelines are as follows:

1. *Manpower Charges*

1.1 'Working days for per annum manpower rates Whilst 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.

1.2 1.2 "Other staff" and Research Fellows

The manpower charges for the category of "other staff" shall be taken as 200% of salary, calculated at the middle point of the salary scale. Research Fellows shall be considered in the category of "other staff" for purpose of calculation of manpower charges, and charged for at 200% of actual Fellowship amount.

1.3 For Scientist B The per annum manpower rate for Scientist B should be Rs. 1,25,000 (instead of Rs. 1,35,000 as indicated).

2. *Consultancy*

Different aspects of consultancy, including the pattern of distribution of honorarium were considered by

the Governing Body at its 121st Meeting held on 26th April, 1990. A separate OM on diverse aspects of consultancy, including the pattern

of distribution of honorarium effective 1.4.1990, would be issued shortly.

3. Collaborative Research

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

4. Composite Projects

Some projects are composite in nature and envisage diverse inputs which in CSIR terminology may be termed contract R&D, Consultancy, technical services etc. Such type of projects could, for purposes of CSIR costing/accounting, be split into appropriate contract research, consultancy and technical services components; and approval of competent authority be obtained for each component indicating the overall project profile. Honorarium for only the consultancy component of the project could be distributed. The contract for and the charges to the client may be for a single composite project.

(CSIR letter No. 9/203/90-TU, dated. April 30, 1990.Amend: 1)

(29.1.2) Sub: Consultancy by CSIR Laboratories

Ref:- Guidelines for Technology Transfer & Utilisation of CSIR Knowledgebase 1989; Chapter 2, Consultancy)

The CSIR Governing Body (GB), in its meeting of April 26, 1990, considered diverse aspects and facets of consultancy by CSIR laboratories. The observations/decisions of the GB on the subject have necessitated some additions/modifications to the GUIDELINES. The additions/modifications given below are effective from April 1. 1990.

1. Definition & Scope (2. 1)(Incorporate at the end of para 2. 1)

The laboratory should ensure that owing to financial benefits accruing to staff members from consultancy work, attention is not diverted from R&D and other activities to consultancy. A proper balance of the manpower and other resources to be deployed on R&D activities, consultancy and technical services should be decided by the Research Council.

There should be no diversion or classification of R&D projects as consultancy, in case of borderline or doubtful cases the projects should be classified as R&D projects rather than as consultancy.

2. Costing of Consultancy Projects (2.4) (Incorporate at end of the para 2.4.1)

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.

3. Honorarium For Consultancy Work (2.8)

a) Modify para 2.8.1 as:

Honorarium is payable to the team of consultants and other S&T staff providing inputs to the specific consultancy assignment together hereinafter referred to as 'Group of Staff' and 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.

b) Incorporate at the end of para 2.8.2

The revised pattern of distribution of consultancy honorarium (max. 2/3 of intellectual fee) for consultancy work taken up after 1st April, 1990 will be as follows:

Team of consultants	-	65%
Other S&T staff	-	15%
Supporting staff	-	15%
CSIR Welfare Fund	-	5%

c) Modify para 2.8.3 as:

'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 and 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 distribution of honorarium to the 'supporting staff' is to be uniform for a salary scale and is to be done once a year.

d) Delete from para 2.8.5 the sentence, "Only the approved Group of Staff will be eligible for grant of honorarium".

e) Incorporate para 2.8.6a after 2.8.6

2.8.6a For consultancy of purely advisory nature i.e. where (a) no work in the laboratory is envisaged; (b) no report is required to be furnished to the client and for which the duration of contract is more than a year

honarium may be distributed annually, provided the amount due for the year, has been received from the client.

(CSIR letter No:9/203/90-TU, dated: 12th July, 1990.Ammend: 2)

(29.1.3) At the 126th Governing Body Meeting held on 6th May 1992 an item on modifications to the extant 'Guidelines for Technology Transfer and Utilisation of Knowledgebase' was put up inter-alia seeking: (a) revision of S&T mandates and (b) amendments/modifications to guidelines for consultancy services.

The GB has approved of the item and we are awaiting the completion of the statutory period of 30 days for review of the proceedings by President CSIR, prior to formally notifying the changes in the Guidelines. However the modifications and amendments become effective from 1.4.92. We thus consider it prudent to inform you thatand Utilisation of Knowledgebase' was put up inter-alia seeking: revision of S&T mandates and (b) amendments/modifications to for consultancy services.

a) Manpower charges would now be in three categories as follows:

Category	Per day/rates	Per annum
rates		
i) Senior Scientists (Personnel of Rs.2.6 lakh the level of Scientists EII and above)	Rs. 1300	
ii) Scientists (Personnel of the level Rs. 1. 8 lakh of Scientists B and upto EI)	Rs.900	
iii) S&T Assistants (Personnel Rs. 1 lakh below the level of Scientist B including Res. Fellows)	Rs.500	

Thus the manpower charges in Appendix 111 pg. 39 of the said Guidelines stand amended by the above mentioned rates.

- b) The Governing Body once again expressed its concern at the diversion/classification of some R&D projects as consultancy and have sought strict monitoring and compliance with the spirit of the definition of consultancy in the Guidelines. To facilitate the operation of 'consultancy' services two categories of consultancy viz. (a) Advisory Consultancy (b) General Consultancy have been demarcated each with its own scope definition, ceiling and pattern of honorarium. The details of these and the other modifications to the Guidelines would be notified separately.**

(CSIR letter No:9/203/92-TU, Dated: 8th May, 1992)

(29.1.4)Sub: CSIR Guidelines for Technology Transfer and Utilisation of Knowledgebase - I@89 - Amendments thereto w.r.t. S& T manday rates, consultancy etc.

The CSIR Governing Body in its meeting of May 6th, 1992, while considering the Rama Rao Committee report (on the amendments/modifications to extant Guidelines suggested by the Third Business Meeting of CSIR Technology Transfer & Marketing Personnel) once again expressed its concern at the diversion/classification of some R&D projects as consultancy. GB sought the strict compliance with the spirit of the definition of consultancy as given and its monitoring by respective MCs and the HQs. The GB then approved the committee's recommendations on:

- A) Revision of S&T manday rates for contract research/services;
- B) Amendments to guidelines for consultancy;
- C) Other aspects pertaining to TA/DA/per diem allowances-etc.

The GB approved amendments, to the above three aspects of the guidelines, detailed herein, have been *made effective from 1st 'April 1982*.

A. S&T Manpower Charges

(Modify para 1 of Appendix-III on page 39 of Guidelines to read as under)

The manpower charges for costing of contract research/consultancy projects and technical services would be in three categories. The minimum rates chargeable for each category shall be as follows:

Category	Per day rates	Per Annum rates
1.Senior Scientists (S&T) Personnel of	Rs. 1300	Rs.2.6 Lakh

the level of Scientist E II and above)

2.Scientists (S&T Personnel of the Lakh level of Scientist B and above upto Scientist E 1)	Rs.900	Rs. 1. 8
3.S&T Assistants (Personnel below Lakh the level of Scientist B including Research Fellows)	Rs.500	Rs. 1.0

B. Consultancy *Definition & Scope* (Replace para 2.1 to read as under)

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. For purpose of definition there shall be two categories of consultancy viz;

2.1.1 Advisory Consultancy

Wherein the services would involve scientific, technical, engineering or other professional advice, provided to a client purely on the basis of available expert knowledge and experience of individual(s), rendered outside the CSIR and not envisaging use of any facilities of the laboratory (including experimental, informational, computational etc.), and also not involving any kind of survey, detailed study or report preparation/submission.

2.1.2 General Consultancy

Wherein the services 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 needed to meet the objectives of the consultancy assignment.

General consultancy may inter-alia cover:

- Preparation of literature survey/feasibility studies state of the-art/project/technology/forecasting reports;**
- Interpretation and validation of test results and data, risk and hazard/environment impact analysis etc.,**
- design engineering,**
- assistance in erection, commissioning, operation, fabrication/tendering and purchase of requirement, trouble shooting, productivity improvements, pollution abatement/control measures, energy conservation, waste utilisation, technology assessment/evaluation.**

2.1.3 Any consultancy assignment which does not *strictly* fall under the category of Advisory Consultancy, shall be taken up as General Consultancy. The competent authority for approving the consultancy shall have the power to decide on the category of a particular consultancy assignment.

2.1.4 It should be ensured that owing to financial benefits accruing to staff members from consultancy work, attention is not diverted from R&D and other activities to consultancy. A proper balance of the manpower and other resources to be deployed on R&D activities, consultancy and technical services should be decided by the Research Council. There should be no diversion of classification of R&D projects as consultancy; in case of borderline or doubtful cases the project should be classified as contract R&D projects rather than as consultancy.

2. Approvals

i. For Projects

(Modify the authority of Director as under)

Director: Upto Rs.5 lakh and not involving the Director or Director level scientist as one of the consultants.

2.2.2 *For Contracts* (Incorporate at end of para 2.2.2)

For consultancy services of a minor nature, formal agreement on a stamp paper may be dispensed with and the terms and conditions settled through exchange of letters. However, the terms and conditions should include a disclaimer on responsibility of the laboratory for the advice/recommendations given in the consultancy. 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.

3. *Honorarium for Consultancy Services (Replace para 2.8.2 by the following)*

2.8.2. The pattern of distribution of honorarium for all Consultancy assignments taken up on or after 1.4.1992 shall be as follows:

2.8.2(i) *Advisory Consultancy*

Distributable amount upto a maximum of 2/3 of intellectual fee as follows:

Team of Consultants	95%
CSIR Welfare fund	5%

2.8.2(ii) *General Consultancy*

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

Team of consultants	65%
Other S&T Staff	15%
Supporting Staff	15%

2.8.3 Modify para 2.8.3 to read as under

2.8.3 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 Fellow/Associates who assist the team of consultants with S&T, information, computational, economic and marketing inputs pertaining to the specific consultancy and 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) & (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).

2.6.6a Incorporate after para 2.8.6

2.8.6d In case of Advisory Consultancy projects for which the duration of the contract is more than a year, honorarium may be distributed annually, provided the amount due for the year, has been received from the client.

5. 4. Ceiling on Amount of Honorarium Receivable

(Replace para 2.8.13 with the following)

2.8.13 The maximum amount of honorarium receivable by an individual in a financial year shall be limited to Rs. 1 00,000 (Rupees one lakh) or his/her gross salary for the particular financial year,

which ever is less. The amount of honorarium receivable by an individual during a financial year shall be computed for all the consultancy projects completed during the particular financial year and the amount, if any, in excess of the prescribed ceiling, shall not be carried over to the following financial year, but shall be credited to the CSIR Welfare Fund.

C. Other Aspects

1. TA/DA/per diem allowances

The laboratory shall be free to negotiate, for the staff deputed outside the laboratory on the project work, in respect of assignments from non-govt. clients only, the TA/DA and per diem allowances, which will not be less than that prescribed by CSIR.

2. Guidelines for work/contracts with foreign clients

Work taken up for foreign clients shall continue to be negotiated on a case to case basis, as per present procedures stipulated in the extant guidelines. However in every contract negotiated the 'opportunity value' should be cashed upon through timely response.

(CSIR Letter No:9/203/92-TU, dated:6th July, 1992 Ammend - 3)

(29.1.5) Sub: Guidelines/procedures for sharing or monies realised from licensing of Intellectual Property, and fees from contract R&D and S& T Services with CSIR Staff.

1. BACKGROUND

In accordance with the provisions of the Resolution of the Govt. of India setting up the CSIR, a portion of monies realised from licensing of Intellectual Property and the fees from sponsored research projects/schemes was being shared with the staff. However in 1977 on the recommendations of a Group of Ministers constituted by the president CSIR, the Governing Body decided that the distribution of monies realised from licensing of Intellectual Property and fees from sponsored projects contracted after 30th September 1977 be discontinued.

A Committee constituted in 1993 by DG, CSIR on "Marketing of Knowledge base : Set up, Staffing pattern and Incentives" with Dr.R.A.Mashelkar as Chairman inter-alia recommended revival of sharing with the CSIR staff, of monies realised from licensing of Intellectual Property and fees from contract R&D and S&T Services. This recommendation of the Committee was approved by the Governing Body in its 131st meeting held on 29th July, 1993 with minor modification in pattern of distribution of the monies/fees among the staff. The CSIR Society in its meeting held on 22nd March, 1994 concurred with the decision of the GB.

2. GUIDELINES

The consolidated guidelines for sharing of monies from licensing of Intellectual Property and Intellectual fees from Contract R&D and S&T Services with the CSIR staff are as under:

2.1.The monies/fees realised from: (a) Intellectual Property referred to NRDC (b) Intellectual Property licensed directly by lab. & (c) Sponsored Projects for which agreements were contracted upto 30th September, 1977 are to be shared as follows:

	Monies realised from Intellectual Property Licensing		Fees from Sponsored R&D Projects
	Through NRDC	Direct by Lab.	
NRDC Share	30%		
CSIR Share	30%	60%	60%
Investigators' (employees') Share	40%	40%	40%

The pattern of distribution of the portion designated as Investigators' share amongst the staff is to be as follows:

	Staff	Share
i.	Innovators	35%
ii.	Other members of the team	35%
iii.	Those who have provided physical and mechanical inputs <i>directly</i> associated with the project work (ex-gratia)	15%
iv.	Common Pool	10%
v.	Welfare/Benevolent Fund	5%

2.2. The Investigators' (employees') share of the monies realised from the Intellectual Property referred to NRDC/released direct by the lab. between 1. 10. 1977 and 31.3.1994 and of the fees from

sponsored research projects for which agreements were executed between these dates is not distributable amongst the staff.

2.3 The Governing Body and CSIR Society have now decided to revive the sharing of (a) monies realised from licensing of Intellectual Property and (b) the intellectual fees from contract R&D and S&T Services, with the staff as follows:

a) *Intellectual Property*

Forty percent of the monies realised from licensing of the Intellectual Property developed and referred to NRDC or approved for direct licensing by competent authority (MC/DG, CSIR) on or after 1.4.1994 is to be shared with the staff.

b) *Contract R&D*

Forty percent of the intellectual fee or net surplus (remaining after accounting for all direct and indirect project expenditure as prescribed in the CSIR Guidelines) whichever is lower, as arising from R&D contracted on or after 1.4.1994, is to be shared with the staff.

c) *S&T Services*

Twenty percent of the intellectual fee or net surplus (remaining after accounting for all direct and indirect expenditure for the service as prescribed in the CSIR Guidelines) whichever is lower, arising from S&T Services contracted on or after 1.4.1994, is to be shared with the staff.

2.4 The Pattern of sharing of the amount earmarked for staff at (a), (b), & (c) above is to be as follows:

	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 HQs)	5%

2.5 The sharing of portion of monies/fees as specified above in para 2.3 is subject to the following:

- a) A system of cost accounting has been put in place by the laboratory.**
- b) A legally valid agreement has been executed for Intellectual property licensing/contract R&D;**
- c) The technology transfer/project has been completed in accordance with the terms of the agreement;**
- d) The monies/fees due have been received in full;**
- e) The client has not contested CSIR's fulfilment 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) The maximum amount of money receivable by an employee from licensing of Intellectual Property and intellectual fee from contract R&D and S&T Services will not exceed Rs.1**

lakh per financial year or his/her salary for the particular financial year whichever is less;

- h) The scheme to be reviewed by GB after two years of its operation (i.e. after July, 1995).

3. Procedures

3.1 Categorisation of Staff

- a) Innovators & 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.

3.2 Maintenance of Project Records

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

- a) By Project Leader

i. 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 of the individuals and extent of their participation (whether whole time or part time); significant

contributions made by the individuals alongwith the supporting inputs/contributions of the S&T and other staff.

ii. *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.

iii. *Project Cost*

Expenditure for each project/activity in accordance with Integrated Management & Project Accounting (IMPACT) System.

b) 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.

3.3.*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 & Principal Contributors, S&T and other staff from the monies realised from licensing of

Intellectual Property, 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 contributors to the project/activity as reflected in the Project Records.**
- c) The Standing Committee shall decide the share of each individual [as at (b) above] in the light of the recommendations of the Project Leader and taking into consideration the Project Records, 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 on the date of notification, then the same can be submitted for consideration and approval of 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 & 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 Lab. Decision of DG, CSIR shall be final and binding on all concerned.**
- h) The portion of the monies/fees 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 for his/her share of monies/fees.**

(CSIR Letter No:9/203/94-TU, dated, June 15, 1994.Ammend. - 4)

(29.1.6) Sub: CSIR Guidelines for Technology Transfer and Utilisatin of Knowledge base, 1989 - Amendments thereto w.r.t. (a) concession in intellectual fees for small & tiny units (b) manday rates (c) honorarium for consultancy etc.

The CSIR Governing Body in its 137th/138th meetings considered and approved certain amendments relating to CSIR Guidelines which had become necessary in view of the discussions/suggestions arising from the various meeting of the Consultative Committee of Parliament, CSIR Advisory Board and Annual Business Meet of CSIR Business Development and Technology Marketing Personnel. These amendments are as follows:-

- (a) Concession to tiny and small scale units in intellectual fees;
- (b) Revision of S&T manpower charges for contract research, Consultancy, S&T services etc.
- (c) Revision of ceiling on amount of honorarium receivable from consultancy.
- (a) Concessions to tiny and small scale units in intellectual fees.

i . *Contract R&D*

Incorporate following addition at the end of para 1.4.2(ii) of the existing Guidelines:-

For tiny and small scale units (as per government's definition), the minimum intellectual fee chargeable is 20% of the total expenses calculated as per the procedure prescribed in the Guidelines.

ii. *Consultancy*

Incorporate following at the end of para 2.4.2(ii) of the existing Guidelines.-

For tiny and small scale units (as per government's definition), the minimum intellectual fee chargeable is 50% of the estimated manpower charges

(b)S&T Manpower charges (Ref. Appendix III of the Guidelines amended vide O.M. No.9/203/92TU Amend - 3 of 6th July, 1992)

The minimum S&T manday rates for costing of contract research, consultancy projects and S&T services for different category of staff are as follows:

Category of Staff		Manday rates (Rs.)	
		Per day	per annum
a)	Senior Scientists (S&T Personnel of the level of Sc.EII and above)	2000	4 lakh
b)	Scientists (S&T personnel of the level of Sc. B and upto Sc.EI)	1500	3 lakh
c)	S&T assistants (Personnel below the level of Sc.B including Research Fellows)	750	1.5 lakh

In cases where Group I & II staff contribute S&T inputs to the project their manpower charges are to be 2.5 times the median emoluments of the grade/scale on per day/annum basis as applicable.

These amendments at (a) & (b) above shall be effective from 1st July, 1995.

- c) **Ceiling on amount of honorarium receivable (effective from the financial year commencing 1st April, 1995) Replace para 2.8.13 of the Guidelines (amended vide O.M. No.9/203/92-TU of 6th July 1992) with the following:-**

From financial year commencing 1st April, 1995 there is no ceiling on the maximum amount of honorarium receivable by an individual from consultancy In a financial year provided that the mandays devoted by the individual on Consultancy work in a financial year do not exceed 50 mandays (as stipulated in para 2.7.9 of the Guidelines).

(CSIR Letter No:9/203/95-TU Ammend - 5, dated: June 29, 1995.

(29.1.7) Sub: Guidelines for (i) CSIR staff to be members on the Board of Directors of Private Sector Companies; and (ii) CSIR Laboratories to establish Business & Marketing entities.

1. Background

DG, CSIR had constituted a Committee with Shri.Lovraj Kumar, Ex-Secretary, Deptt. of Petroleum, GOI, and on his demise with Dr.R.A.Mashelkar, as Chairman to examine the issues of permitting:

- i. CSIR staff to be members on the Board of Directors of private sector companies; and
- ii. Selected CSIR laboratories to establish commercial arms to market their technologies, services and high-tech products.

The Committee submitted its report titled 'New Mechanisms for Marketing of CSIR knowledgebase' in December 1994. The report of the Committee was considered by the Governing Body (GB) in its 137th, 138th & 139th meetings. The GB approved the recommendations of the Committee with appropriate modifications, stipulations and safeguards. The Guidelines have been framed in accordance and conformity with the decisions of the Governing Body

2. Guidelines

2.1. CSIR staff to be on the Board of Directors of Private Sector Companies.

2.1.1. 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 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. The Scientists could thus be permitted to be on BODs of companies/organisations that are:

- i. existing/promoted by CSIR licensees;
- ii. established by CSIR scientists under 'CSIR Entrepreneur Scheme';
- iii. having in-house R&D units recognised by DSIR;
- iv. with activities to which CSIR could provide significant S&T support;
- v. manufacturing high tech products.

2.1.2 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-E I and above are eligible to apply for such permission;
- iii. At a time a scientist could be on 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.
- v. To safeguard the scientist against any possible personal liability arising out of legal or criminal defaults by the organisation, he is required to obtain a Certificate of Compliance (as given in Annexure-IA) from the functional Directors/Executive Officers of the ORGANISATION prior to each meeting of the BODS.
- vi. The remuneration accruing from such membership on BOD would be governed by the rules relating to payment of honorarium for

consultancy as laid down in the CSIR Guidelines for Transfer of Technology and Utilisation of Knowledgebase and any other instructions issued on the subject.

2.1.3 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 - 1) duly vetted by the Director is to be forwarded to Head, R&D Planning and Business Development Division, CSIR for processing.

2.2 Setting up of Business & Marketing Entities

2.2.1 Preamble

Some of the CSIR laboratories are working on highly knowledge based products having significant potential market demand. Also, a few of the laboratories have world class facilities as well as skill base. 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.

2.2.2. 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 knowledge base, 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; with
- ii. 50% of this external cash flow derived from sources other than the government, and

- iii. generated Laboratory Reserves of atleast Rs.3.00 crore derived from sources other than the government.

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

1. 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.;
2. No budgetary support is provided by CSIR and the Laboratory to run/for the ENTITY,
3. No liabilities, direct/implied, are created against CSIR/Laboratory by the ENTITY.
4. All transactions/arrangements of CSIR/Laboratory with the ENTITY shall be through formal contractual instruments as required between two legal entitles, CSIR Model Agreement may be referred to in this regard.

2.2.3. 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-2) should be forwarded to Head, R&D Planning and Business Development Division at CSIR Hqrs for further processing.

a. a. *Effective Date*

The OM takes effect from the date of its issue.

Annexure - 1

Proforma for Seeking Approval of DG, CSIR for Membership on Board of Directors (BODS) of a Company/Foundation/Society/Trust (Organisations)

I. Particulars of the Scientist

- (a) Name/Designation of the Scientist**
- (b) Laboratory/Division**
- (c) Date of Joining CSIR**
- (d) Area of expertise of the Scientist**
- (e) 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)

- (a) Place of Registration & Relevant Act under which Registered**
- (b) Names and Addresses of the Members of BODs/PROMOTERS**
- (c) Activities of the ORGANISATION**
- (d) Details of Foreign linkages/collaboration of the ORGANISATION**
- (e) Period/Duration for which permission is sought**
- (f) Remuneration to be paid by the ORGANISATION**
- (g) Likely direct/indirect benefits to CSIR Laboratory of the Scientist functioning on BOD of the ORGANISATION.**

1. 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)

Explanation:

- 1. 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 of potential knowledgebase or R&D output.**
- 2. 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.**

Annexure

Proforma for Seeking Approval of DG,CSIR for Establishing Business & Marketing Entity

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) Sources of External Cashflow

i. Govt. Departments

ii. Public Sector Undertakings (Central & State)

iii. Private Sector Companies/Organisation

iv. Foreign companies

V. International/Foreign agencies Total

d) Laboratory Reserves

e) Source of Laboratory Reserve

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)

Annexure 1A

Compliance Certificate

I _____ Managing Director/CEO on behalf of the (Name of the ORGANISATION) (hereinafter known as the ORGANISATION) do hereby certify that the Company and its officers have acted with reasonable care and circumspection and complied with the obligation arising under the Companies Act, Society Act, Cooperative 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 procedure laid down by the Government as made applicable to the ORGANISATION from time to time.

The Certificate shall be valid for _____ to _____.

(Signature)

CSIR Letter No.9/203/95-RPBD Date: August 14th, 1995 No. 13/47/95-
RPBD