

National ICT R&D Fund

Operations Manual

Ministry of Information Technology

IT & Telecom Division

Government of Pakistan

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List of Abbreviations and Acronyms

LAFS	Legal, Administrative and Financial Structure
EE	External Evaluators
PERM	Project Evaluation Ranking Matrix
TCRM	Theme Criticality Ranking Matrix
MPE	Manger, Project Evaluation
SED	Solicitation and Evaluation Department
CD	Coordination Department
FD	Finance Department
LD	Legal Department
GM	General Manger
CEO	Chief Executive Officer
CFO	Chief Financial Officer
PAC	Project Appraisal Committee
PMC	Project Management Committee
F&A C	Finance & Audit Committee
HRGC	Human Resource Governance Committee
PD	Publication Department
PI	Principal Investigator
MoIT	Ministry of Information Technology
R&D Fund	Research and Development Fund
IFRS	International Financial Reporting Standards
IASB	International Accounting Standard Board®
PM	Project Manager
MD	Monitoring Department
PMS	Project Monitoring Schedule
MC	Milestone Chart
KPI	Key Performance Indicators
HRGC	Human Resource Governance Committee
PP	Project Portfolio
PFA	Project Funding Agreement
MC	Milestone Chart

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0.1 POLICY VISION

The vision of the Policy Document is to transform the country into knowledge based economy through the promotion of well-organized, consistent and effective initiatives for the ICT Sector. The policy has the focus to create and maintain the synchronization between Industry and Academia resources. The policy is thus stated as *"To transform Pakistan's economy into a knowledge based economy by promoting efficient, sustainable and effective ICT initiatives through synergic development of industrial and academic resources."*

0.2 BACKGROUND

The vision and objectives of the R&D Fund were drawn out of a thorough analysis of the historical advancements and initiatives taken in the field of Research and Development. The idea behind the analysis was to develop a foundation for the Policy Document in order to take the strategic measures and to guarantee their implementation. That analysis led to the development of comprehensive policy objectives and setting of the process paradigms through which the strategic vision is to be achieved. This document contains a comprehensive analysis of the process flows as defined in the policy document and the procedural means to deliver a process for achieving the key objectives.

0.3 POLICY OBJECTIVES

The primary and basic objective of Research & Development Fund Policy is to focus upon and to allocate funds to the key priority areas in the ICT sector of Pakistan. Moreover the policy has some other objectives. These are:

- 0.3.1 To provide an enabling environment that facilitates deployment, exploitation and utilization of ICT for enhanced national productivity.
- 0.3.2 To enhance the national ICT related human resource development capacity manifolds by facilitating industrial demand through focused human resource capacity building.
- 0.3.3 To help develop knowledge based ICT industry for delivery of value-added ICT products and services.
- 0.3.4 To facilitate the development of comparative advantage in the ICT industry.
- 0.3.5 To facilitate research and development in those sections of ICT that enhance quality of life for citizens of Pakistan

0.4 KEY FOCUS

Policy implementation will be based upon identifying key priority areas for R&D Fund allocation, keeping in mind the global outlook. Identification of these key areas needs to consider the constraints that Pakistan has, being a low income country. The key areas that must be scrutinized for effective policy implementation include:

- 0.4.1 The development of ICT infrastructure;
- 0.4.2 The creation of a secure cyberspace environment;
- 0.4.3 The creation and management of local content;
- 0.4.4 The establishment of an effective regulatory policy and agencies; and
- 0.4.5 The launch of education policies that utilize and encourage the expansion of ICT capacities and ICT consumption.

0.5 PRIORITY AREAS

The Policy identifies five priority areas to allocate the R&D Fund. These priorities are subject to periodic revisions and realignment in the light of any major technology shift and continual progress as per defined roadmap.

Under the R&D Fund Policy, research and development will be conducted in the following Priority areas.

0.5.1 HR Capacity Building

0.5.2 National Productivity Enhancement

0.5.3 ICT Market Development

0.5.4 ICT Product Development

0.5.5 Multi-Sectoral Support Program

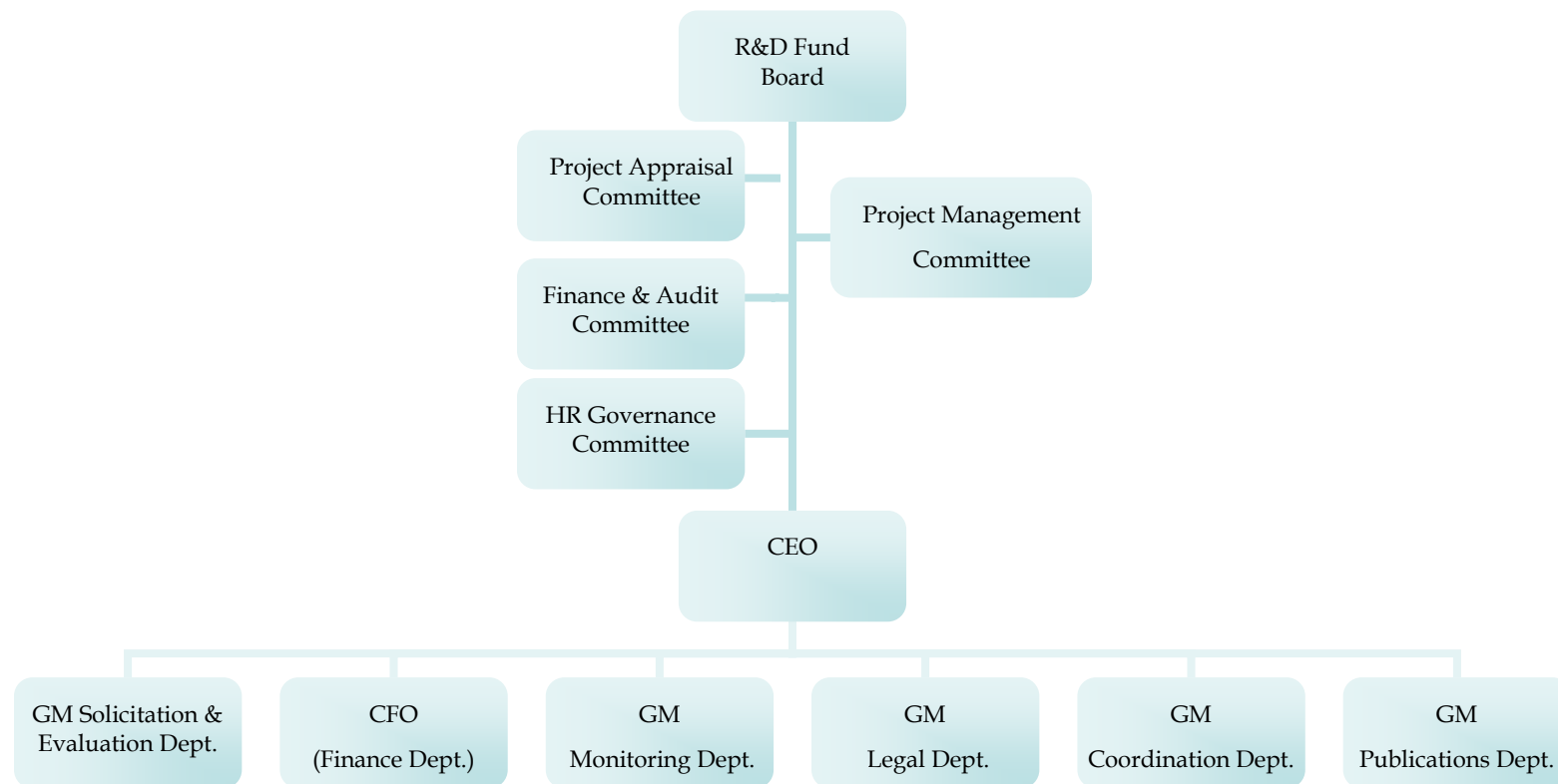
0.6 PRIORITY AREAS AND IMPLEMENTATION PLAN

Summary of implementation plan for funding in the priority areas is shown in the table below. The policy implementation will be a phased process, as discussed in detail in chapter 06 of the R&D fund policy document. However the areas and their definition will remain subject to the approval of the Board.

0.6.1 Table

Priority Areas	Sub Areas within each Priority Area.	Implementation Plan
HR Capacity Building	<ul style="list-style-type: none"> • Promotion of education to all segments of the society • Creation of industry driven HRD • To create and develop, through ICT, formal and informal learning networks for communities • Develop an IT-trained workforce 	Immediate Term
National Productivity Enhancement	<ul style="list-style-type: none"> • Local Indigenous Development • Advanced Information and telecommunication Networks • Telecom and Internet Infrastructure Development 	Short Term
ICT Product Development	<ul style="list-style-type: none"> • ICT Innovations • ICT Infrastructure support • Re-engineering the local industry • Identifying and developing technologies, architectures, standards, security and privacy requirements and initiatives. 	Medium Term
ICT Market Development	<ul style="list-style-type: none"> • Promotion of web-enabled services • Facilitation of E-Commerce • Digitization of the administration. • Provide government services to stakeholders online 	Long Term
Multi Sectoral Support Program	<ul style="list-style-type: none"> • Use of ICT in Agro-based Industries • Use ICT in biotechnology and pharmaceutical industries • Use of ICT to facilitate international transactions 	Long Term

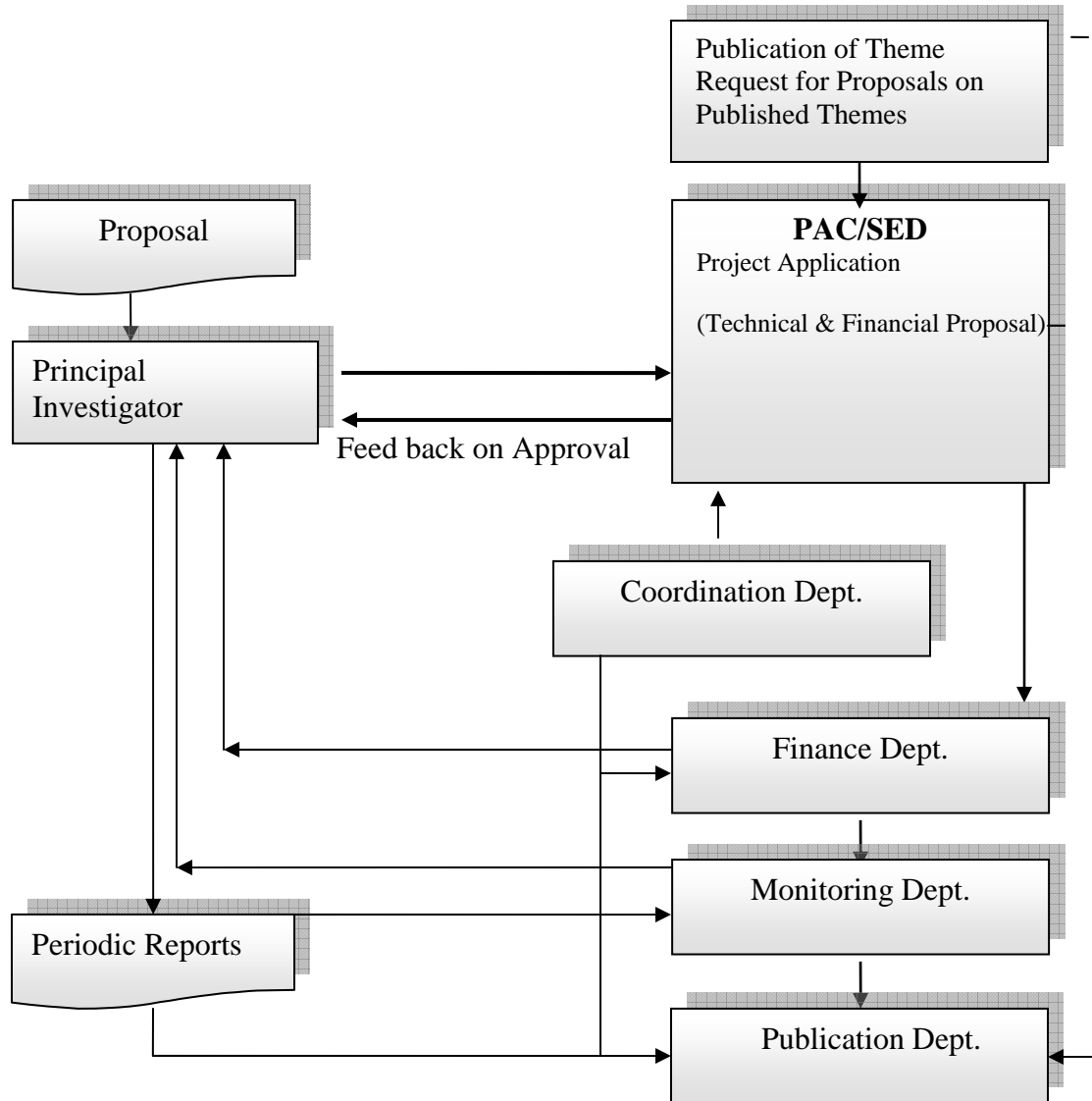
0.7 ORGANIZATION CHART (Top Tier)



The proposed organization structure is discussed in detail in the “Legal, Administrative and Financial Structure” (LAFS) document. The Top tier defines the main actors for the implementation process in the subsequent chapters.

0.8 PROCESS FLOW

The overall process flow for R&D fund mainstream operation is as follows:



CHAPTER ONE

UNDERLYING PRINCIPLES

1.1 IMPLEMENTATION PERSPECTIVE

The manual will address the generic processes as defined in the policy document from an implementation perspective. The idea is to provide all departments of R&D Fund with an integrated and interrelated framework in which to operate. The manual will provide the management and the board concrete guidelines for strategic and operational decisions making. The manual will address, amongst other, the following, in line with the Policy Document and LAFS of the R&D Fund:

- 1.1.1 The definition of Thematic Focus for the R&D Fund and respective allocations
- 1.1.2 Solicitation Process for Thematic and Non-Thematic Focus Areas
- 1.1.3 Evaluation Procedures for the submitted proposals
- 1.1.4 Award Criteria
- 1.1.5 Appeal Process and Dispute Resolution
- 1.1.6 Disbursement Criteria and Funding Mechanism
- 1.1.7 Monitoring Mechanism
- 1.1.8 Feedback Procedures
- 1.1.9 Information Sharing Procedures
- 1.1.10 Legal implications of all contracts Company enters into
- 1.1.11 Termination, Restructuring and Redesigning Procedures
- 1.1.12 Realignment of objectives, focus and allocations

1.2 IMPLEMENTING BODY/BODIES

- 1.2.1 Major Actors responsible for implementation of respective procedures are defined at the beginning of each chapter. The powers delegated to each decision making body is in line with the responsibility sphere as defined in section 3.2 and section 3.3 of Legal, Administrative and Financial Structure of R&D Fund.
- 1.2.2 It must be understood, however that all powers to manage and run the company flow from the Board and all powers attributed to the executives of the company must be considered delegated powers. In that very context, Board has the discretion to expand, enhance, curb or revoke the powers given to any executive at any time.
- 1.2.3 Board also has the discretion to amend and interpret the provisions of this manual in the best interest of the company and any verdict in this regard by the board will be considered final.

1.3 MANAGEMENT ISSUES

- 1.3.1 This section deals with the issues relating to the overall management of the Company within the framework provided by the Policy, R&D Fund Rules and Legal, Administrative and Financial Structure. The following chapters will address the key processes of the R&D fund broken down at departmental level.
 - 1.3.1.1 The R&D Fund Company will be run by the board of R&D Fund. A detailed description of the role and responsibilities of the Board is provided in section 2.3 through 2.5 of the Legal, Administrative and Financial Structure (LAFS).

1.3.1.2 The Board delegates its power to run the day-to-day affairs of the company to the CEO of the R&D Fund, whose powers are discussed in section 3.3.1 of LAFS.

1.3.1.3 The R&D Fund Company will work through six distinct but highly integrated departments. The departments are:

1.3.1.3.1 Solicitation and Evaluation Department (SED)

1.3.1.3.2 Finance Department (FD)

1.3.1.3.3 Monitoring Department (MD)

1.3.1.3.4 Publication Department (PD)

1.3.1.3.5 Legal Department (LD)

1.3.1.3.6 Coordination Department

1.3.1.4 Each Department will be run by a General Manager (GM) reporting to CEO with the exception of Finance Department whose head is called CFO. The responsibilities and functions of all these positions and the positions created to assist them are addressed in section 3.3 of LAFS.

1.3.1.5 Human Resource and General Administration will be treated as a function without the protocol of a full department and it will be managed by a Manager, whose responsibilities are addressed in section 3.3 of LAFS.

1.3.1.6 Within one year of the commencement of R&D Fund Co., an IT Support department will be established.

1.3.1.7 The company level decision making spheres are clearly outlined in the R&D Fund Rules and LAFS. The procedures for strategic or administrative nature decisions are also defined therein. The departmental decision making processes are defined in the following chapters.

1.3.2 Procedures for the Company Management Meetings

1.3.2.1 Management meetings of the Company shall be held on a monthly basis. All departmental GMs shall attend the meeting.

- 1.3.2.2 The agenda for the meeting shall be distributed among all the participants one week before the meeting. Any proposed additions or alterations to this agenda must be notified to the CEO not less than three days prior to the scheduled meeting date.
- 1.3.2.3 The CEO will act as Chairman of the meeting and be responsible for its conduct in accordance with the agreed agenda. In the absence of the CEO, the meeting shall be chaired by person nominated by the CEO.
- 1.3.2.4 Minutes of each meeting will be taken by the Company Secretary or a competent person under his direction
- 1.3.2.5 Minutes of each meeting shall be circulated to all the participants.
- 1.3.2.6 The date and, if possible, the venue of the next scheduled Company management meeting should be agreed prior to the meeting being closed.
- 1.3.2.7 Other than the scheduled meetings, special purpose meetings may be convened by the CEO at any time to deal with specific issues it may include meetings for making important project decisions. Rules of procedure will be as for scheduled monthly meetings. Minutes of each meeting, showing what was discussed and any actions agreed will be prepared and distributed.

CHAPTER TWO

THEME SELECTION

2.1. MAJOR ACTORS

The **R & D Fund Board** will be responsible for the identification of themes i.e. the specific areas that will be invested in, during a certain time frame.

2.2. PROCEDURE

2.2.1. The Board shall review themes/areas for funding on annual basis. A theme shall be selected for a period of at least 02 years, which will then be subject to annual review. Board meetings will be convened as per the schedule outlined in LAFS to review performance of funded projects and to grant approval for high budget projects (refer to as Tier-IV projects as mentioned at 4.2.2. of this document).

2.2.2. For all subsequent years following the first year, in which the Board on its own decides the thematic focus, it would be responsibility of the CEO to present a thematic plan and a proposed budget to support those thematic focuses on an annual basis. The CEO will accomplish that task by engaging all departments in an exercise to evaluate the past performance relating to identified thematic areas and the future outlook. The Board will then review the plan based on the TCRM identified in section 2.2.4. and make the final decision. The role of CEO in the theme selection process will be recommendatory and the complete authority to select the themes for the future periods rests with the board.

2.2.3. Chairman of board will chair the meeting for theme selection or/and review. The agenda of the meeting is to be finalized and distributed amongst the members by the Company Secretary at least a week prior to the meeting.

2.2.4. The themes discussed in the meeting will be ranked on their relative importance/priorities. Theme selection must be governed by the strategic motives as set out in the Policy Document. Themes Criticality Ranking Matrix (TCRM) will be used by the decision makers to rank the themes. TCRM is described at the end of the chapter as (Form 2A). Company Secretary will record the proceedings of the meeting and forward the compiled minutes of the meeting to all the participants. The recommendations of the members shall be summarized.

2.2.5. An implementation plan will be devised, giving time plan for phased implementation of themes, i.e. themes for the immediate period and those deferred to subsequent periods based on the recommendations made by the Board members.

2.2.6. After the definition of the *Thematic Focus*, the Board will allocate funding to the thematic areas in line with policy objectives set out in the Policy Document. At this stage a further assessment will be required based on the themes and the role of complementary bodies regarding the identified thematic focus. The fund allocation, however will not be based on these complementary sources of funding and they would only be considered as providing extra cushion and flexibility for a given focus area. This assessment will be made by F&AC on behalf of the Board. The F&AC will be assisted by the Coordination Department in this regard.

2.2.6.1. Coordination department will identify areas, where funding from other agencies and donor organizations can be extracted. Coordination department will access those funding agencies to check for the possibility of extracting funds from various sources. Coordination department will compile its report on fund availability within 30 days (from theme selection meeting) and forward it to the Finance and Audit Committee.

2.2.7. The implementation plan i.e. the budget distribution among various priority areas for the period, will be devised. At the same stage budget allocation for the unsolicited research projects will also be decided. The budget allocation is made on annual basis and it will be disbursed to the R&D Fund Company on quarterly basis no later than 14 days prior to the beginning of each quarter. The budget allocation will remain subject to quarterly review.

2.2.8. After approval from the CEO, the implementation plan will be communicated to the Solicitation & Evaluation Department, Publication Department and the Coordination Department.

2.3. CONSIDERATIONS FOR THEME SELECTION PROCESS.

The following guidelines must be considered while deciding on selection of a particular thematic area.

2.3.1 In the process of theme selection, Board may refer to the policy road map as defined in Chapter 06 of the Policy Document. Road map for the implementation of policy priorities gives a roll-out plan for phased implementation of policy. If a theme does not correspond to the priority area for the current period as defined in the policy roadmap, it will be deferred till appropriate period. However, the roll-out plan is in itself subject to approval and modification from the board.

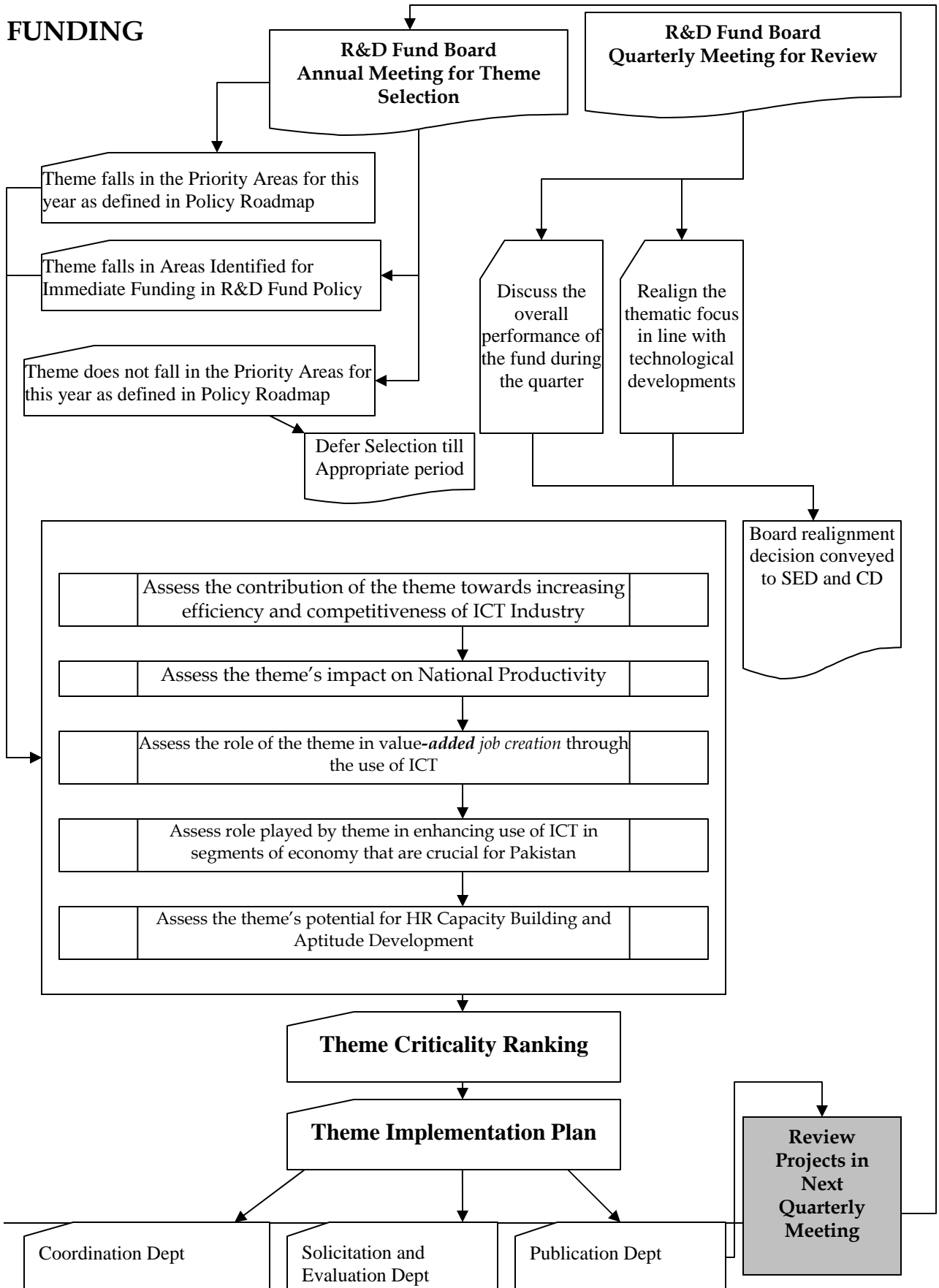
2.3.1. Areas Identified for immediate funding in Ch 07 of the Policy Document will also be considered by the Board while selecting themes in the initial phase of the fund. Themes falling in the budget priority areas for that period shall be ranked high. These areas for immediate funding will be reviewed by Board periodically.

2.3.2. While selecting the themes for investment, they may be evaluated against the following objectives; these objectives are subject to revision, during policy review.

- 2.3.2.1. Does investment in this theme lead to improving the efficiency and competitiveness of ICT Industry?
- 2.3.2.2. Does this value chain or project have potential for increasing the demand for ICT Services?
- 2.3.2.3. How will it impact the national productivity?
- 2.3.2.4. Does this theme or value chain promote enhanced use of ICT in segments of economy that are crucial for Pakistan?

- 2.3.2.5. Will investment in this theme lead to value-added job creation through the use of ICT?
- 2.3.2.6. Will the investment yield an enhanced awareness of the ICT vision of Pakistan?
- 2.3.2.7. Will the theme reflect on enhancing the aptitude of the Human Resource towards areas relating to ICT in particular and technology in general?

2.4. FLOW CHART: PROCESS TO SELECT AREAS FOR FUNDING



Form 2A

Theme Criticality Ranking Matrix (TCRM) This Theme criticality matrix is designed to let decision-makers weigh the pros and cons of various theme options for a certain time frame. The matrix allows decision makers to compare themes in terms of their desirability and feasibility to achieve policy objectives. . The purpose of using this matrix is to facilitate effective and timely decision making

Themes Proposed For funding ¹	Criteria for Selection ²						Total ³	Remarks
	Improvement in ICT industry	Potential for increasing demand for ICT services	Impact on national productivity	Enhanced use of ICT in segments that are crucial for economy.	Value added job creation through use of ICT	Long Term Impact on HR Aptitude/ Resource Development		

Generically the weights for each column are considered equal; however they may vary significantly depending on the nature of a given project.

Decision makers will enter score from 1-6 per theme across the continuum of considerations related to theme selection, as shown in table below

Not Supportive			Supportive		Highly Supportive	
0	1	2	3	4	5	6

Rating 6 indicates that the theme highly support the criteria/ objective of R&D Fund, while rating 1 indicates lowest level of support to the criteria.

Summary of themes criticality ranking

- 0-12 Not recommended for consideration
- 13-24 Recommended for consideration
- 25-36 highly recommended for consideration

1 Themes/area for funding under consideration are listed in this column

2 Criteria includes considerations for theme selection i.e. objectives of the R&D Fund, subject to review by board.

3 Scores for each theme will be summed up in this column to calculate the aggregate score for each theme.

CHAPTER THREE

PROPOSAL SUBMISSION

3.1. MAJOR ACTORS

3.1.1 Solicitation & Evaluation Department is responsible for solicitation and technical evaluation of proposals. All proposals will be received and processed by this department.

3.1.2 Coordination Department will act as a liaison between the R&D Fund and other ministries/Industry, academia, donor and funding agencies. Where the themes require participation, from other ministries or private sector players, coordination Department will build up required links.

3.1.3 Publication Department will launch advertisements for themes.

3.2. R&D FUND PROGRAMS

The R&D Fund has two principal funding components – unsolicited and solicited funding programs.

3.2.1. The Unsolicited Funding Program includes any project that fits within general scope of the R&D Fund objectives and policy.

3.2.2. In the Solicited Funding Program, R&D Fund Board announces specific topics or themes of special interest. Only projects on the themes and topics identified for each period are eligible.

3.3. PROPOSAL SOLICITATION

Once the Board decides the themes, a Request for Proposal (RFP) will be launched by the Publication Department, in close consultation with SED; through appropriate advertisements.

- 3.3.1.** The SED and the Coordination Department will assist Publication Department in preparing appropriate advertisements, TOR and RFP, in accordance with the theme.
- 3.3.2.** The lead time for launching of advertisements and preparation of RFP and TOR will be decided by the board. The time frame for proposal submission both for local and foreign bidders and evaluation criteria will be clearly detailed in RFP.
- 3.3.3.** PPRA Rules and UNIDO guidelines may be consulted in preparing RFP and TOR.
- 3.3.4.** Through the RFP, industry and relevant parties will be invited to submit the proposals. General format for TOR and RFP are included in the appendix as (Form 3A) and (Form 3B) respectively
- 3.3.5.** Application forms will be designed catering for all the requirements of RFP and TOR. General format for technical and financial proposal application is part of the appendix as (Form 3C)
- 3.3.6.** Format for Event Proposal and Scholarship Request for Individuals and Institutions is part of the appendix as (Form 3D).
- 3.3.7.** R&D Fund Co. employees, directors and their immediate family members are not eligible to submit solicited or unsolicited proposals.

3.4. APPLICATION

3.4.1 Resource Kit

The SED will provide the resource kit including proposal submission forms and guidelines, to the interested parties. These application forms will also be made available in electronic format on the R&D Fund website. To facilitate proposal preparation, assistance will also be provided through phone helpdesk.

3.4.2 Eligibility criteria of applicant:

An applicant or the project initiator or promoter of a R&D project must be:

- 3.4.1.1. An individual, belonging to an academic institution/ICT industry, having a certification of being an authorized representative of the organization/institution. or
- 3.4.1.2. A company or locally registered organization. or
- 3.4.1.3. A government agency. or
- 3.4.1.4. A non-government organization (NGO). or
- 3.4.1.5. A non-profit organization (NPO). or
- 3.4.1.6. An Academic Institution. or
- 3.4.1.7. Joint applicants under a collaborative arrangement/Consortium. or
- 3.4.1.8. A Foreign registered company
- 3.4.1.9. An individual in his own capacity

Preference shall be given to the projects that are jointly submitted by industry and academic institutions.

3.4.3 Principal Investigator

All applications/proposals will be submitted in conformance with the instructions laid down in the relevant RFP and TOR. Each application will identify an individual as a Principal Investigator (PI) to lead the project. PI will negotiate all terms and conditions on behalf of all the applicants. (For certain categories like scholarships the term 'applicant' will be used instead)

3.4.4 Deadline for proposal submission

- 3.4.4.1 Institutions/Individuals may submit the endorsed application/proposal at any time throughout the year for unsolicited category.
- 3.4.4.2 For solicited proposals, once the RFP is launched, ample time will be given to the Principal Investigator/ Institutions for preparing the proposals i.e. 1- 3 months when only local applicants are invited and 1-5 months when applications are sought from both local and foreign researchers. The exact time frame for each solicited theme will be decided by the Board. In this regard SED may give its recommendation that will be subject to the approval from the board or PAC.
- 3.4.4.3 The application dead line date will be set out in the RFP.
- 3.4.4.4 SED will verify and evaluate all the projects; GM SED will be considered primarily responsible to handle all proposals.
- 3.4.4.5 Technical evaluation of the proposals will be managed by SED as per the procedures set out in the following chapter.

CHAPTER FOUR

PROPOSAL EVALUATION

4.1. MAJOR ACTORS

4.1.1 **Solicitation and Evaluation Department** – SED will create an **Evaluation Panel** that primarily will consist of Project Evaluation Managers (MPE). These managers will conduct internal evaluation of projects. Each MPE will be assessing a maximum of 5 *projects*, at any point of time. The number of MPEs and projects assigned to them may vary however, depending upon the criticality of the projects and the magnitude of the funding activity.

4.1.2 External Evaluation Panel will include leading Academicians and Industrialists, who will be hired for their services as **External Evaluators (EE)**. A project shall be assessed by a minimum of 2 external evaluators and up to a maximum of 3, depending upon the relative importance of the project, as assessed by the MPEs.

4.1.3 External Evaluators (EE) will be selected from a pool of Academicians and Industry Professionals contractually engaged by the R&D Fund to act as EE when their services are required. The Pool at any time must consist of at least 30 Academicians and 15 Industry Professionals. The pool may consist of international experts including foreign nationals. The pool will be identified by SED and approved by the Board.

4.1.4 The remuneration for each EE must be set by the SED while making the contractual arrangement on a project to project basis. A retainer may also be made part of the contractual obligation.

4.1.2 **Finance department** will review the financial proposal and give its recommendations on the financial aspect of the proposal. The Finance Department, however under no circumstances has the authority to reject a

technically approved project. FD will only recommend the changes required in the financial plan.

4.2. PROJECT CATEGORIES

4.2.1 For technical evaluation, projects will not be classified under any category to keep the process completely objective and unbiased. Each Proposal will be evaluated on its respective technical merits only.

4.2.2 The projects will then be evaluated on the basis of their funding requirement and projects will be divided amongst the following four categories.

Project Category	Funding Requirement (Project Scale) in rupees
Tier I Projects	Up to 5 Million ($\leq 5,000,000$)
Tier II Projects	Above 5 Million but less than or equal to 15 Million ($5,000,000 < \text{Project} \leq 15,000,000$)
Tier III Projects	Above 15 Million but less than or equal to 40 Million ($15,000,000 < \text{Project} \leq 40,000,000$)
Tier IV Projects	Above 40 Million ($> 40,000,000$)

4.3. EVALUATION OF TECHNICAL PROPOSAL

4.3.1 Primary Evaluators

The assigned MPEs from SED will screen all technical proposals submitted by the PIs. One MPE must not handle more than five projects at a time.

4.3.2 Time Frame:

Technical evaluation of proposals at SED level must be completed within 14 days from the date of submission of proposal.

4.3.3 Elements of The proposal evaluation process

4.3.3.1 The Unsolicited projects will be evaluated by the MPE. No Standard Evaluation Criteria are defined for this purpose. These projects will be marked or evaluated according to their scale, priorities and design, however some basic requirements will be considered while evaluating such project such as:

4.3.3.1.1 Importance of the project according to the priorities defined in the road map,

4.3.3.1.2 Nature of the project, scale of the project, duration of the project, and commercialization potential etc.

4.3.3.2 For solicited proposals, internal evaluation will be done by the MPE. Evaluation Criteria will be defined in RFP for this purpose. It is important that all proposals conform to the instructions provided in the RFP and TOR.

4.3.3.3 Conformance is required and will be strictly enforced. SED may return without review proposals that are not consistent with these instructions

4.3.3.4 A Project Evaluation Ranking Matrix (PERM) is designed to facilitate MPE and EE with the evaluation process. Evaluators will investigate some important aspects of the proposals as shown in the project evaluation matrix i.e. criticality of value chain, relative significance of project to value chain, productization scope, consortium strength, commercialization potential, academic institution rating, project duration (short/long-term), strength of researcher/organization, industry partner standing, scientific standing of project and previous track record on such projects etc.

- 4.3.3.5 In some instances, however, evaluators will employ additional criteria as required to highlight the specific objectives of certain programs and activities. These are special review criteria outlined in the program solicitation i.e. the RFP and TOR. The ranking on the matrix should be justified by subjective appraisal. Ranking matrix is included in the appendix as (Form 4A)
- 4.3.3.6 Inadequate Proposals will be sent back to the institution for amendments. Principal Investigator will bring about required modifications to correct any deficiencies and resubmit the proposal. The reevaluation phase will be started as if a new proposal is being evaluated and the 14 days time line will be counted from the start of the evaluation of resubmitted proposal.
- 4.3.3.7 Internal evaluation will be followed by assessment by the external evaluators. The external evaluation must commence immediately at the completion of internal evaluation.
- 4.3.3.8 The forwarding will only be made if primary internal evaluation indicates the viability of the project. If project is found non-viable, it could be sent back to the PI for requisite changes to make it viable or it could be rejected altogether. In both cases PI has the option to appeal, procedure of which is discussed in the following sections.
- 4.3.3.9 The internal evaluation reports shall be kept confidential and will not be forwarded to any EE. An unbiased, independent opinion of the external evaluators will be sought in this manner.
- 4.3.3.10 Technical evaluation guidelines and forms will be designed for external evaluators. External evaluators will give their evaluation opinion within 14 days from the date of receipt of proposal (after

completion of internal evaluation). General format for technical evaluation guidelines is part of the appendix as (Form 4B).

- 4.3.3.11 For 3rd and 4th Tier projects, Principal Investigator will be required to give presentation in front of Project Appraisal Committee. The 4th Tier projects may require a presentation to the board if PAC recommends so. These presentations will only be made after the internal and external evaluation is complete and both are found in favor of the project.
- 4.3.3.12 In case of complex projects, irrespective of the project category, PI may be asked to present the proposal in front of Project Appraisal Committee. The decision categorizing a project as complex rests with the GM -SED at the recommendation of the MPE.
- 4.3.3.13 During the process of technical evaluation, MPEs may engage in discussion with PI several times as required, to get consent of the PI on the revisions made in the proposal during review.
- 4.3.3.14 No change in the proposal provisions are to be made by MPE and EE without the express approval of the PI.
- 4.3.3.15 Before recommending final action on proposals, final results will be compiled on a mark sheet format. Sixty (60%) and Forty (40%) weight shall be assigned to internal evaluation and external evaluation, respectively.
- 4.3.3.16 GM SED will later verify and approve/reject the proposal based on the final recommendations made by the evaluators.
- 4.3.3.17 Rejection of a proposal will only be made if SED found that no redesigning or restructuring in the basic provisions of the project is sufficed to make the project viable.

- 4.3.3.18 In cases where project redesigning and restructuring on technical grounds could render viability, SED must return the proposal with the proposed changes recommended.
- 4.3.3.19 PI and the relevant MPE will discuss the proposed changes and a final recommendation letter based on the earlier recommendation and the discussions must be issued by SED no later than seven days from the return of the proposal.
- 4.3.3.20 The projects must be resubmitted within 14 days once the final recommendation letter is issued by SED for reevaluation. If all changes as recommended are incorporated in the resubmitted proposal as per the evaluation of the MPE and EE, the project will be approved within 14 days of resubmission. The reevaluation will only be made for the proposed changes and their impact on the project.
- 4.3.3.21 A project can at maximum be resubmitted twice for evaluation after which an approve/reject decision must be taken by SED. A rejection for a resubmitted proposal must only be made if the PI fails to incorporate the recommended changes by SED in the proposal.
- 4.3.3.22 In case of conflicting opinions of external evaluators where the number is even (i.e., 02 external evaluators) regarding the acceptability of the proposal (one selects the projects and the other rejects it), the final decision rests with Gm, SED who will base his decision on the strength of all the external evaluation reports and the remarks of the MPE as internal evaluator.
- 4.3.3.23 If a project is found technically viable, it must immediately be forwarded to Finance Department for financial evaluation.

4.3.4 Notification of Rejection

4.3.4.1 Principal Investigator will be notified (no later than 14+3=17 days from the date of submission of proposal), incase GM SED rejects the proposal on technical grounds.

4.3.4.2 The projects in Tier-III and IV may be rejected by PAC or Board even if they are approved initially by SED. The timeline for such rejection depends on the time that is required to make the final presentation to the PAC or Board but under all circumstances such rejection must be conveyed within 07 days of the final presentation.

4.3.4.3 When the rejection decision has been made, verbatim copies of reviews, excluding the identities of reviewers, and summaries of review panel deliberations, if any, will be provided to the PI on request.

4.3.4.4 Principal Investigator reserves the right to appeal in case of rejection of proposal according to the appeal process discussed in the following chapters.

4.4 EVALUATION OF FINANCIAL PROPOSAL

4.4.1 Documentary Support

The technical evaluation report prepared by the SED along with the financial proposal will be forwarded to Finance Department after approval from the GM SED. Finance Department will examine conformance with the principles of accuracy in the cost estimates of the project. The evaluation of financial proposal will start simultaneously with the technical evaluation, however the detailed decisions regarding financial issues will only be communicated to PI once technical evaluation is completed and the project is found technically viable.

4.4.2 Purpose of Evaluation

Assumptions concerning the estimates of direct cost e.g. labor cost and indirect costs over the life time of the project may not always be correct. The purpose of financial evaluation is to scrutinize the various components of the financial proposal with a view to increase precision. This will ensure that appropriate funds are allocated to the project so that the project runs smoothly without any financial constraints and also ensuring at the same time that funds are not wasted due to inaccurate estimates. The evaluation may result in overstatement or understatement of certain cost components.

4.4.3 Primary Evaluators

Finance Managers under the guidance of the CFO will evaluate the project for financial details. They could be assisted by Deputy Managers for evaluation.

4.4.4 Time Frame

Initial financial evaluation of proposals at FD level must be completed within 07 days from the date of submission of proposal. Another 07 days would be counted from the date of SED declaration of technical viability of the project to finalize all the financial details regarding the project. FD will constantly be fed by SED for synchronization of costs with relevant technical aspects.

4.4.5 Guiding Principles for Financial evaluation;

4.4.5.1 Accuracy of cost estimates will be assessed against the expected market prices of inputs. An assessment of the cost estimates will include accounting for an inflationary / deflationary pressure in terms of prices over the life time of the project. Other uncertainty factors such as changes in technology, duration of the project etc can also affect the accuracy of the estimates.

4.4.5.2 Investment in working capital should be quantified and justified. For bigger projects involving bulk purchases, benefits associated with economies of scale should have been incorporated such as discounts on bulk purchases etc.

4.4.5.3 Costs of human resources are estimated according to the benchmarks set in RFP. In the absence of such benchmarks market parameters should have been considered.

4.4.5.4 Break down of budget between various elements like research and infrastructure development will be evaluated. The cost component of physical infrastructure development should not be more than 20% for projects however based on the specific details of a given project SED may allow a higher percentage. The 20% is exclusive of cost of equipment and includes only brick and mortar.

- 4.4.5.5 The classification of cost between direct and indirect expenditure must be evaluated carefully. This classification will facilitate the inspection for the accuracy of cost estimates, as indirect cost estimates require too many assumptions.
- 4.4.5.6 Reusability of infrastructure in future projects will be assessed, where heavy investments in infrastructure are required. Preference shall be given to projects, where infrastructure requirements are designed to cater for future reusability in multiple R&D projects, and cost saving may be incorporated for all related future projects using the same infrastructure.
- 4.4.5.7 Sensitivity margins with respect to key indicators and key inputs will be estimated. Projects that are highly sensitive to various indicators shall be given low priority.
- 4.4.5.8 For applied research projects, the estimated research and development commercialization potential of the project should not be too remote compared with the investment cost of the project.
- 4.4.5.9 In case of scholarships, the broad benefit of the project to the economy must be assessed. Same criteria should be applied to awareness campaigns and indirect measures to enrich the current and potential human resource of the country.
- 4.4.5.10 An assessment of the total funding requirement of the value chain to which the research project is a part and the funding required by the project as a fraction of total funding requirement of the value chain must be analyzed. The relative importance of the project to the value chain will be assessed in order to determine priority of the evaluated project within the whole value chain.

4.4.5.11 The reasonableness of the proposed budget and the requested period of support in relation to the proposed research should be a key evaluation factor.

4.4.6 Revisions to Proposals Made during the Review Process

4.4.6.1 In the event of a significant development (e.g., research findings, changed circumstances, unavailability of PI or other senior personnel, etc.) that might materially affect the outcome of the review of a pending proposal, the PI/authorized Institutions' representative must contact the relevant MPE to discuss the issue. Submitting additional information must not be used as a means of circumventing page limitations or stated deadlines.

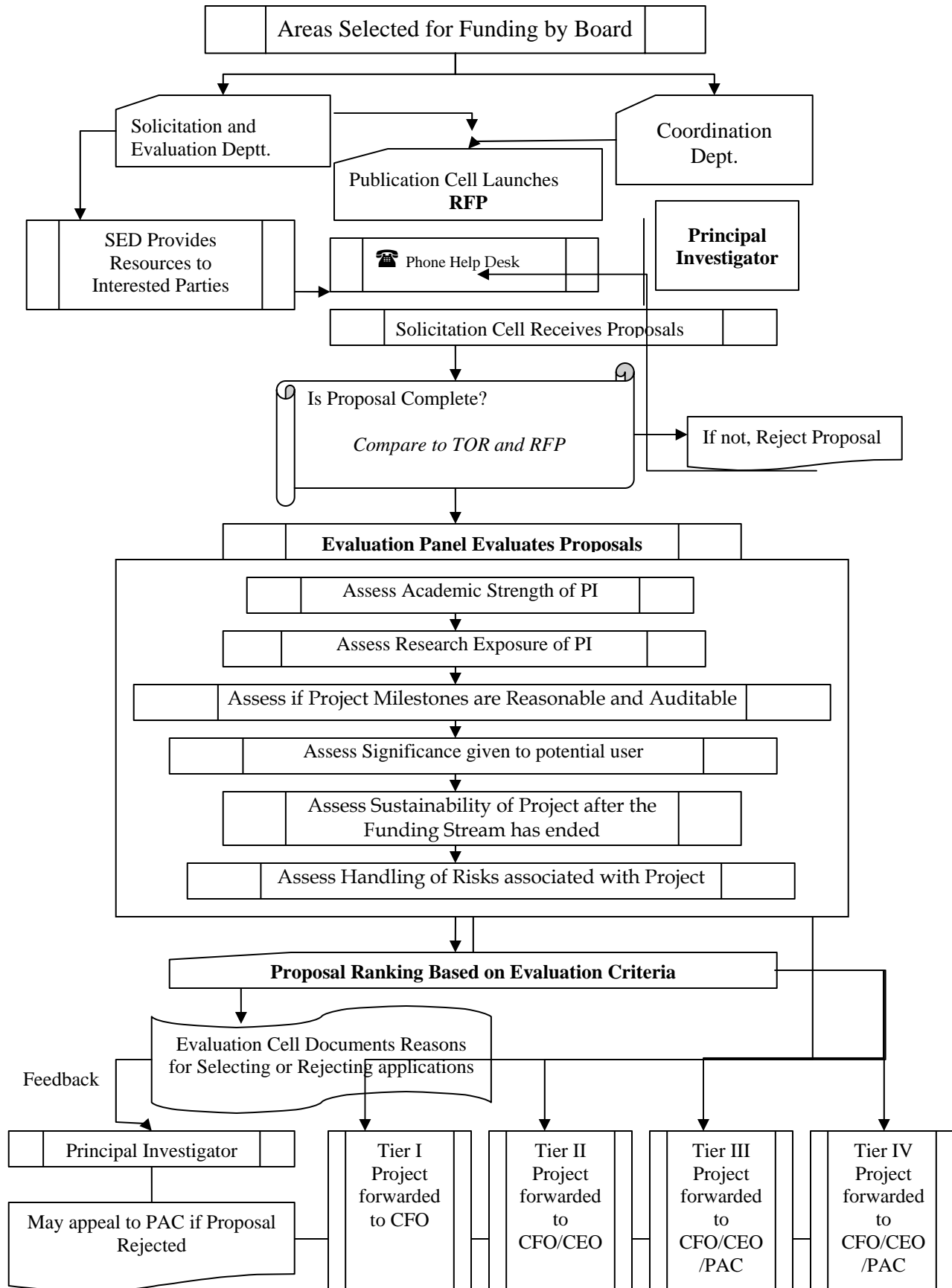
4.4.6.2 Before recommending whether or not R&D Fund should support a particular project, the finance department may engage in discussions with the PIs with an objective of negotiating budgets that would generally involves discussing a lower or higher amount of total support for the proposed project.

4.4.6.3 The Finance Dept. may suggest reducing or eliminating costs for specific budget items that are clearly unnecessary or unreasonable. The Finance Dept. may discuss with PIs the "bottom line" award amount, i.e., the total R&D funding that will be recommended for a project.

Note: Revised proposal budgets must be signed by the Principal Investigator and submitted to finance department.

4.4.6.4 After screening through the financial evaluation, fund allocation process for the project shall be initiated. Financial evaluation of the proposal shall be completed within seven (7) days from the date of receipt of proposal by finance department.

4.5 FLOW CHART: PROCESS TO EVALUATE PROPOSALS



Form 4A

Project Evaluation Ranking Matrix This project evaluation matrix is designed to let evaluators weigh the pros and cons of various project options. The matrix allows evaluators to compare projects in terms of their desirability and feasibility. The purpose of using this matrix is to facilitate effective and timely evaluation.

Project ¹	Criteria for Project evaluation ²											Total ³	Remarks
	Criticality of Value chain	Relative significance of project to Value chain	Product-ization scope	Consort-ium Strength	Commercial potential	Academic Institution Rating	Project duration Short/Long-term ⁴	Strength of researcher/ Organization	Industry partner standing	Scientific standing of project	Previous track record on such projects.		

These criteria are subject to review. Each consideration may or may not carry equal weights depending on the nature of a given project. For HR related projects column 03, 05 and 09 should carry zero or minimal weights and their contribution may be distributed amongst more significant indicators.

Evaluators will enter score from 0-10 for each project across the continuum of considerations related to project evaluation, as shown in table below

Low			Average		Above Avg.		High		Very High	
0	1	2	3	4	5	6	7	8	9	10

Rating 10 indicates that the project highly support the criteria for project evaluation, while rating 1 indicates lowest level of support to the criteria 0 indicates no support to the criteria..

Summary of Project Evaluation ranking

0-22	Low
23-44	Average
45-66	above Average
67-88	High
89-110	Very High

¹ Projects under consideration are listed in this column

² Criteria includes considerations for project evaluation

³ Scores for the project will be summed up in this column to calculate the aggregate score of each project.

⁴ Short term projects will be ranked high.

CHAPTER FIVE

FINANCIAL PROCEDURES

5.1. MAJOR ACTORS

- 5.1.1 Allocation and disbursement of funds for projects are the main functions of R&D Fund **Finance Department** headed by Chief Financial Officer (CFO).
- 5.1.2 Funds will be made available to the R&D Fund according the procedures detailed in Chapter 04 of LAFS through MoIT.
- 5.1.3 The CEO R&D Fund and CFO are jointly authorized to operate company bank account. All payments from the bank account shall be made through checks signed by them jointly.
- 5.1.4 The mainstream function of the R&D Fund is to provide financial support to R&D projects; however as a dynamic organization it will also be involved in procurement for its own use. All such procurement will be primarily managed by **Manager HR & Administration**.

5.2. FUND ALLOCATION PROCEDURE

5.2.1 R&D Fund Budget

Board in its annual meeting for theme selection, will define themes/areas for funding and the implementation plan that would translate into budget distribution among various priority areas during the period. Finance Department will refer to this budget to check the funds availability for a particular theme/priority area. The budget will be disbursed to R&D Fund on quarterly basis and F&A C will keep a check on its effective utilization.

5.2.2 Alternate Funding Sources

After completion of thematic focus, Coordination Department will be notified, to identify and access academia, industry, donor agencies, ministries or/and other departments that have links to various value chains. Coordination Department will give its report on willingness and extent of fund contribution by these departments, with in 30 days of the notification. Coordination department will remain actively engaged through the solicitation phase and will seek to find means to partially fund a given project through alternate sources in case it belongs to a value chain involving other funding sources. All such funding would however be directed to R&D Fund and not an individual project. PI on his own may request for partial funding and it may be approved according to the relevant provisions of PFA.

5.2.2.1 Total fund requirements of the project will be estimated.

Funding Sources	Amount	% of Total Funding
<ul style="list-style-type: none">• R&D Fund• Internal Funds (Institution)• Other Sources (Specify)		
Total		100%

5.2.3 Fund Allocation

For a given project, Budgeted figures would serve as benchmarks. After estimation of the total funding requirement, fund allocation procedure will be initiated. For thematic projects fund allocation will depend upon the relative significance of the project to the theme and scale of project. If ample funds are available, Finance Department will proceed with the fund allocation process. However, if funds for project belonging to a particular theme or unsolicited area are insufficient, funding in the project will be reconsidered in next period or a request to F&A C may be made for allowing the relaxation given the criticality of the project.

- 5.2.3.1 For non-thematic projects, the criticality of the area and project and availability of funds will be assessed. Funds will be allocated if the project is viable and addresses a critical area. If sufficient funds are not available, project will be deferred till appropriate time in future.
- 5.2.3.2 If budget constraints are restricting fund allocation to an otherwise highly feasible project, Finance Department may refer it to Finance and Audit Committee. Finance and Audit Committee may forward its recommendation to the board for budget review. Prior verification by GM SED for all such cases is mandatory (supported by high ranking on the technical evaluation mark sheet).
- 5.2.3.3 A Phased Disbursement Schedule (PDS) will be developed for disbursement of funds as shown in table below.

Form 5A

	Funds to be released	Date of fund release	Milestone
Advance mobilization charges	(5-10) % up to a maximum of 20 % of Funds		
Phase I			
Phase II			
Phase III			
Phase IV			

- 5.2.3.4 Advance mobilization charges will be released upon the approval of the project. These will be (5-10) % of the total funds allocated for the project, up to a maximum of 20 %. For exceptional cases, however the percentages may be increased beyond 20% with the approval of the Board.

- 5.2.3.5 Phased disbursement model will be aligned optimally with the Milestone Chart forwarded by the SED along with the proposal. This Milestone Chart shows the timing and duration of milestones. A milestone is reached when a significant phase in the project is completed. The release of funds for each phase will depend upon the satisfactory milestone achievement reports from the monitoring department.
- 5.2.3.6 All Funds shall be released through checks signed jointly by CEO and the CFO.
- 5.2.3.6.1 *A 10% of the funding amount will be retained until all final required documentation is received and approved for any given project. That effect must be built into the PDS.*

5.2.4 Fund Disbursement Prerequisites

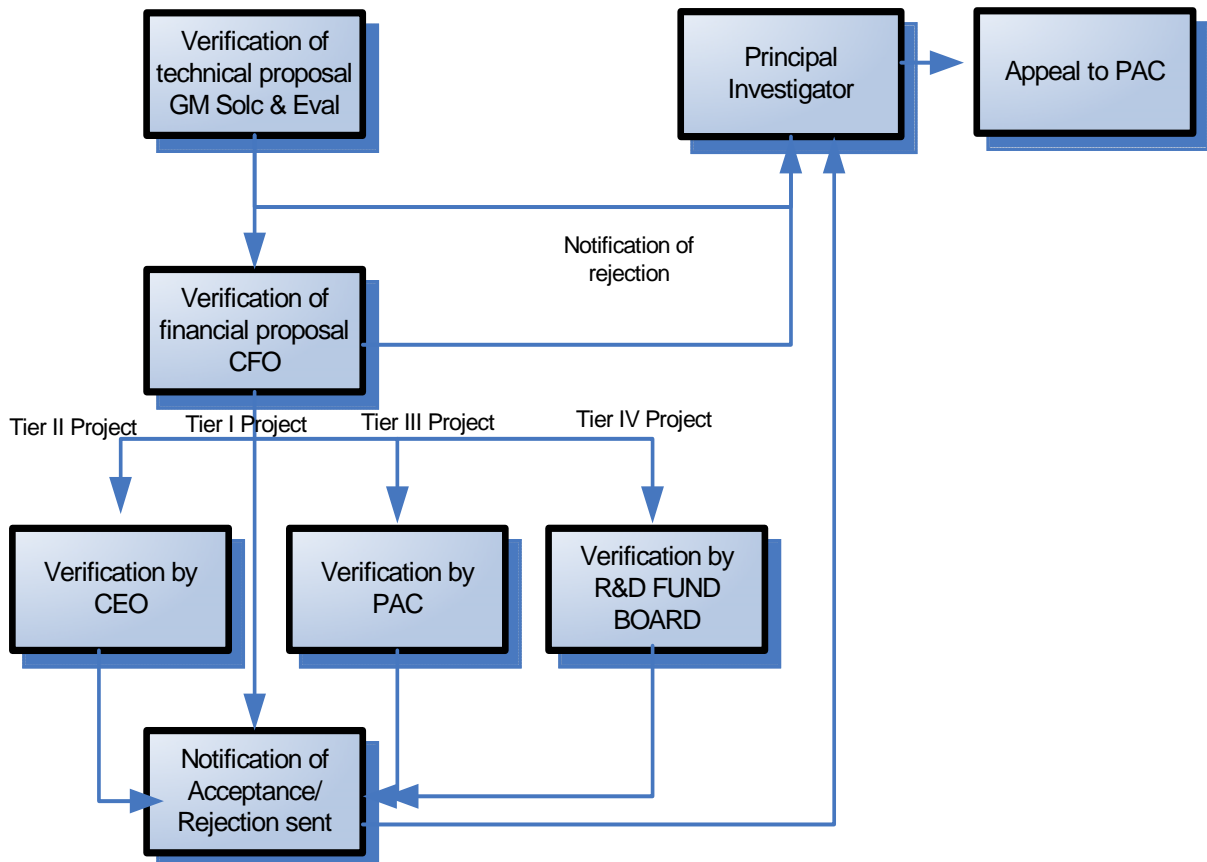
- 5.2.4.1 Finance department will compile its recommendation on the financial proposal evaluation. The Chief Financial Officer will be authorized to grant approval for disbursement of funds for Tier I projects. No further verification is required for such projects
- 5.2.4.2 Fund disbursement shall be made within seven (7) days from the date of completion of signing of the contract between R&D Fund and the PI.
- 5.2.4.3 For Tier II projects, technical and financial evaluation reports approved by GM SED and the CFO respectively shall be forwarded to the CEO. CEO will verify the evaluation reports and may call the PI for a presentation, before giving final approval. Under no circumstances, however the notification of approval/rejection is to be delayed for more than 07 days from the completion of evaluation by FD.

- 5.2.4.4 For Tier III projects, Project Appraisal Committee shall evaluate the projects and recommend the projects that it finds technically viable to CEO for approval. CEO cannot reject a duly recommended project by PAC. During the evaluation process subject specialist will be called from the industry / academia to reevaluate the project viability, and Principal Investigator will be called for a presentation. CEO, CFO and GM-SED will attend the presentation on invitation and offer their comments.
- 5.2.4.5 For Tier-IV projects PAC shall follow the same evaluation process as defined in section 5.2.4.4 and either reject the project or forward it for approval by the Board. Board may call PI for another presentation. Board is to grant final approval for Tier IV projects.
- 5.2.4.6 All Tier-III and Tier-IV projects must be presented in the earliest meeting following the completion of evaluation process by FD.
- 5.2.4.7 In case of Tier-III and IV, if projects are not returned for realignment (projects cannot be returned for more than two time for realignment, after which a definite accept/reject decision must be made) or rejected, the notification must be issued within 07 days of approval from the PAC or Board.
- 5.2.4.8 **Approval Authorities for funds disbursement is as follows:**

Project Category	Approving Authority
Tier I Projects	CFO
Tier II Projects	CEO
Tier III Projects	CEO (at recommendation of PAC)
Tier IV Projects	R&D Fund Board

5.2.5 Final Notification

Once the project is approved by the required authority according to the project category in which it falls, the verified approval shall be forwarded to the GM SED, along with the reviewed proposal for the final notification to be issued as per the following flow diagram.



5.2.6 NOTIFICATION OF ACCEPTANCE/ REJECTION

5.2.6.1 GM Solicitation and Evaluation shall notify the Principal Investigator about the outcome of the evaluation process within three days from the date of completion of evaluation by the respective authority as mentioned in section 5.2.4.8.

5.2.6.2 With the exception of projects returned for realignment, which on their resubmission must be considered as if a new proposal is submitted, the following deadlines for the notification of accept/reject decision must be met. The time is counted from the date of submission of proposal.

Project Category	Maximum Time for issuance of Accept/ Reject Notification
Tier I Projects	31 days
Tier II Projects	38 days
Tier III Projects	62 days
Tier IV Projects	132 days

5.2.6.3 In case Principal Investigator is not notified within the time frame as described in section 5.2.6.2, the project will be considered to have been approved.

5.2.6.4 Notification of acceptance along with the reviewed proposal shall be forwarded to Principal Investigator.

5.2.6.5 Principal investigator will return the accepted notification to the GM SED to proceed with process. The notification of acceptance is subject to completion of legal formalities.

5.2.6.6 Contracts must be prepared within 07 days form the return of accepted notification by the PI and disbursement would then follow according to the PDS appended with the Contract (PFA).

5.2.6.7 The notification of acceptance may be revoked if Principal Investigator fails to enter into the PFA within the specified time frame.

5.2.6.8 The disbursement of funds will not in the ordinary course be delayed for more than 14 days from the receipt of accepted notification given that the PI has entered into the Contract within that time.

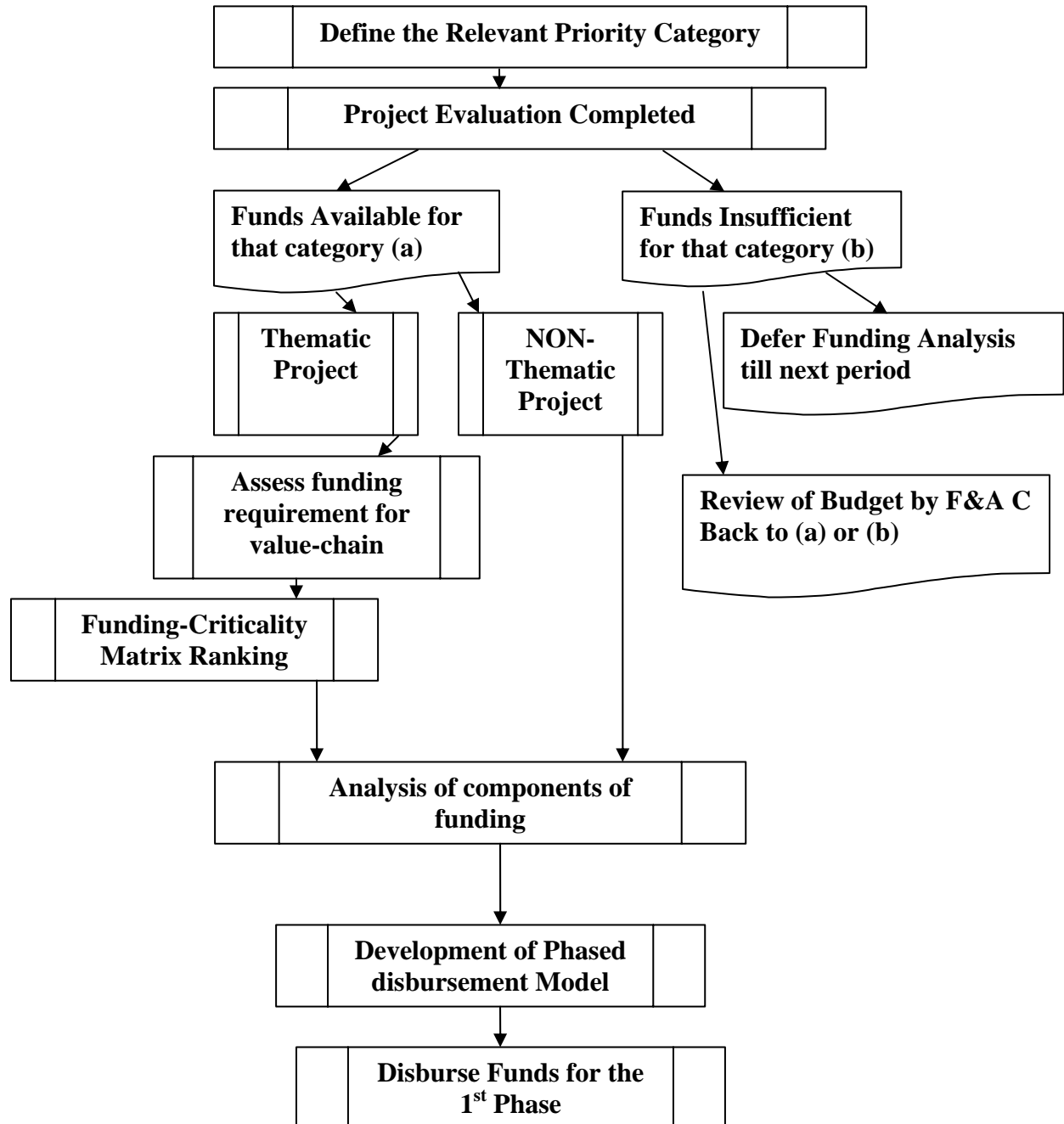
5.2.6.9 All disbursement will be made through the R&D Fund Co. Bank account through checks duly signed by the signatory authorities.

5.3 APPEAL PROCEDURE

- 5.3.1 All appeals related to projects belonging to any tier will be heard by PAC.
- 5.3.2 There will be no appeal against the decision of PAC or Board relating to the decision whether or not to approve a Project Proposal for grant. This implies that the rejection / realignment recommendation of Tier-III and Tier-IV projects at PAC or Board level cannot be challenged however appeals may be made against the evaluation made by SED or FD for projects belonging to all tiers.
- 5.3.3 PAC may co-opt members from other committees to get a fair opinion of all parties concerned. It may also invite any member of the executive body during the appeal process. In appeals against CEO, PAC will ensure that CEO would be treated as a party to dispute.
- 5.3.4 Once the project is approved, the appeals against the flaws in monitoring process will also be heard by PAC. PAC may where appropriate co-opt members of the PMC or F&A C for deciding the appeal.
- 5.3.5 If the proposal is rejected/reviewed on technical grounds, PAC may seek advice from CEO and GM SED during reconsideration of proposal.
- 5.3.6 In case the proposal is rejected/reviewed on financial grounds, PAC will co-opt a member of the F&A C, and may also seek advice from CEO and CFO, during the reconsideration of proposal.
- 5.3.7 Principal investigator reserves the right to appeal to PAC in case realignment decisions made by R&D Fund Co in the project objectives and milestones (in accordance with the monitoring department recommendations) can be proved irrational on justifiable grounds. PAC will co-opt a member of the PMC, and may also seek advice from CEO and GM Monitoring, during the reconsideration of proposal.

- 5.3.8 If appeal process remains inconclusive, the matter will be resolved through mediation as described in R&D Fund Co. Rules and PFA.
- 5.3.9 In case of unsuccessful mediation, the parties may move to arbitration in accordance with R&D Fund rule and PFA.

5.4 FLOW CHART: FUND ALLOCATION PROCESS FLOW (For Thematic and Non-Thematic Projects)



5.5 INTERNAL PROCURMENT

- 5.5.1 Manager HR & Administration will make all procurements on behalf of R&D Fund Co.
- 5.5.2 At the beginning of year, each department will present its annual budget for procurements. The budget will be verified by the CEO and will be presented to the board for approval.
- 5.5.3 The Budget figures will serve as a benchmark for future procurements.
- 5.5.4 The procurement procedure will be transparent and fair and must be documented through open tenders, quotation, comparative statements and negotiated deals.
- 5.5.5 R&D Fund Co. will implement an E-procurement system within 8-12 months of its commencement.
- 5.5.6 All departmental purchases can be approved by the head of the respective department as long as they are below a limit of Rs. 100,000/- and fall within the budget allocation. Anything over and above Rs. 100,000/- must be approved by CEO.
- 5.5.7 Procurements can be made through single quotations as long as they are for an amount below or equal to Rs. 20,000. For all procurements exceeding Rs. 20,000 but below or equal to Rs. 300,000/- at least three quotations must be called and a comparative statement to be made by Manager HR & Administration. For procurements above Rs. 300,000/- an open tender must be called.
- 5.5.8 All tenders will be evaluated by a committee comprising of CEO, CFO and the head of the department for which the purchase is intended.
- 5.5.9 For procurements following outside the budget provisions, all cases must be referred to F&A C.

- 5.5.10 For day-to-day expenses each department head will be allowed an allowance up to Rs. 50,000/-. The allowance for CEO would be Rs. 100,000/-. However all expenses incurred under that allowance must be documented and submitted to the FD as soon as 70% of the allowance is depleted. The summary of expenses will be verified and approved by the CFO and the allowance will be replenished in case all documents are found in order. The maximum spending limit for official expenses other than ones classified under procurement may be set by the Board at the beginning of the year
- 5.5.11 To meet the general petty expenses of the R&D Fund Co. a petty cash account will be maintained. This account will be operated by **Manger HR & Admin** (Custodian of petty cash). The maximum one time limit of petty cash account will be set by CEO and is to be approved by the Board. Petty cash account will be replenished upon 70% depletion in its balance (to be supported by vouchers).
- 5.5.12 PPRA rules will govern in case of a conflict for the internal procurement by R&D Fund Co.

5.6 FINANCIAL REPORTING

- 5.6.1 The financial reporting of R&D Fund will be governed by International Financial Reporting Standards (IFRS) as issued by International Accounting Standard Board ®.
- 5.6.2 The accounts of R&D Fund would be governed primarily under IFRS-1 as a *First-time Adoption of International Financial Reporting Standards*.
- 5.6.3 IFRS-1 applies to an entity whose first IFRS financial statements are for a period beginning on or after 1 January 2004. IFRS 1 also applies to each interim financial report, if any, that the entity presents under IAS 34 *interim*

Financial Reporting for part of the period covered by its first IFRS financial statements.

- 5.6.4 IFRS 1 applies when an entity adopts IFRSs for the first time by an explicit and unreserved statement of compliance with IFRSs.
- 5.6.5 In general, IFRS 1 requires an entity to comply with each IFRS effective at the reporting date for its first IFRS financial statements. In particular, in its opening IFRS balance sheet an entity must:
- 5.6.5.1 *Recognize all assets and liabilities whose recognition is required by IFRSs;*
 - 5.6.5.2 *Not recognize items as assets or liabilities if IFRSs do not permit such recognition;*
 - 5.6.5.3 *Reclassify items that it recognized under previous GAAP as one type of asset, liability or component of equity, that are a different type of asset, liability or component of equity under IFRSs; and*
 - 5.6.5.4 *Apply IFRSs in measuring all recognized assets and liabilities.*
 - 5.6.5.5 *The transition provisions in other IFRSs do not apply to a first-time adopter's transition to IFRSs.*
- 5.6.6 IFRS are governed under a conceptual framework¹ that would be applicable to all the financial reporting made by R&D Fund Co. The underlying assumption for the preparation of the Financial Statements include:
- 5.6.6.1 **Accrual Basis:** In order to meet their objectives, financial statements are prepared on the accrual basis of accounting. Under this basis, the effects of transactions and other events are recognized when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate. Financial statements prepared on the accrual basis inform users not only of past transactions involving the payment and receipt of cash but also of obligations to pay cash in the

¹ IASB® Framework for the Preparation and Presentation of Financial Statements

future and of resources that represent cash to be received in the future. Hence, they provide the type of information about past transactions and other events that is most useful to users in making economic decisions.

5.6.6.2 Going Concern: The financial statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the enterprise has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statements may have to be prepared on a different basis and, if so, the basis used is disclosed.

5.6.6.3 Qualitative Characteristics of Financial Statements: Qualitative characteristics are the attributes that make the information provided in financial statements useful to users. The four principal qualitative characteristics are understandability, relevance, reliability and comparability.

5.6.6.3.1 Understandability: An essential quality of the information provided in financial statements is that it is readily understandable by users. For this purpose, users are assumed to have a reasonable knowledge of business and economic activities and accounting and a willingness to study the information with reasonable diligence. However, information about complex matters that should be included in the financial statements because of its relevance to the economic decision-making needs of users should not be excluded merely on the grounds that it may be too difficult for certain users to understand.

5.6.6.3.2 Relevance: To be useful, information must be relevant to the decision-making needs of users. Information has the quality of relevance when it influences the economic decisions of users by helping them evaluate past, present or future events or confirming, or correcting, their past evaluations.

- 5.6.6.3.3 The predictive and confirmatory roles of information are interrelated. For example, information about the current level and structure of asset holdings has value to users when they endeavor to predict the ability of the enterprise to take advantage of opportunities and its ability to react to adverse situations. The same information plays a confirmatory role in respect of past predictions about, for example, the way in which the enterprise would be structured or the outcome of planned operations.
- 5.6.6.3.4 Information about financial position and past performance is frequently used as the basis for predicting future financial position and performance and other matters in which users are directly interested, such as dividend and wage payments, security price movements and the ability of the enterprise to meet its commitments as they fall due. To have predictive value, information need not be in the form of an explicit forecast. The ability to make predictions from financial statements is enhanced, however, by the manner in which information on past transactions and events is displayed. For example, the predictive value of the income statement is enhanced if unusual, abnormal and infrequent items of income or expense are separately disclosed.
- 5.6.6.3.5 Materiality: The relevance of information is affected by its nature and materiality. In some cases, the nature of information alone is sufficient to determine its relevance. For example, the reporting of a new segment may affect the assessment of the risks and opportunities facing the enterprise irrespective of the materiality of the results achieved by the new segment in the reporting period. In other cases, both the nature and materiality are important, for example, the amounts of inventories held in each of the main categories that are appropriate to the business.
- 5.6.6.3.6 Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged

in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful.

5.6.6.3.7 Reliability: To be useful, information must also be reliable. Information has the quality of reliability when it is free from material error and bias and can be depended upon by users to represent faithfully that which it either purports to represent or could reasonably be expected to represent.

5.6.6.3.8 Information may be relevant but so unreliable in nature or representation that its recognition may be potentially misleading. For example, if the validity and amount of a claim for damages under a legal action are disputed, it may be inappropriate for the enterprise to recognize the full amount of the claim in the balance sheet, although it may be appropriate to disclose the amount and circumstances of the claim.

5.6.6.3.9 Faithful Representation: To be reliable, information must represent faithfully the transactions and other events it either purports to represent or could reasonably be expected to represent. Thus, for example, a balance sheet should represent faithfully the transactions and other events that result in assets, liabilities and equity of the enterprise at the reporting date which meet the recognition criteria.

5.6.6.3.10 Most financial information is subject to some risk of being less than a faithful representation of that which it purports to portray. This is not due to bias, but rather to inherent difficulties either in identifying the transactions and other events to be measured or in devising and applying measurement and presentation techniques that can convey messages that correspond with those transactions and events. In certain cases, the measurement of the financial effects of items could be so

uncertain that enterprises generally would not recognize them in the financial statements; for example, although most enterprises generate goodwill internally over time, it is usually difficult to identify or measure that goodwill reliably. In other cases, however, it may be relevant to recognize items and to disclose the risk of error surrounding their recognition and measurement.

5.6.6.3.11 Substance over Form: If information is to represent faithfully the transactions and other events that it purports to represent, it is necessary that they are accounted for and presented in accordance with their substance and economic reality and not merely their legal form. The substance of transactions or other events is not always consistent with that which is apparent from their legal or contrived form. For example, an enterprise may dispose of an asset to another party in such a way that the documentation purports to pass legal ownership to that party; nevertheless, agreements may exist that ensure that the enterprise continues to enjoy the future economic benefits embodied in the asset. In such circumstances, the reporting of a sale would not represent faithfully the transaction entered into (if indeed there was a transaction).

5.6.6.3.12 Neutrality: To be reliable, the information contained in financial statements must be neutral, that is, free from bias. Financial statements are not neutral if, by the selection or presentation of information, they influence the making of a decision or judgment in order to achieve a predetermined result or outcome.

5.6.6.3.13 Prudence: The preparers of financial statements do, however, have to contend with the uncertainties that inevitably surround many events and circumstances, such as the collectability of doubtful receivables, the probable useful life of plant and equipment and the number of warranty claims that may occur. Such uncertainties are recognized by the disclosure of their nature and extent and by the exercise of prudence in

the preparation of the financial statements. Prudence is the inclusion of a degree of caution in the exercise of the judgments needed in making the estimates required under conditions of uncertainty, such that assets or income are not overstated and liabilities or expenses are not understated. However, the exercise of prudence does not allow, for example, the creation of hidden reserves or excessive provisions, the deliberate understatement of assets or income, or the deliberate overstatement of liabilities or expenses, because the financial statements would not be neutral and, therefore, not have the quality of reliability.

5.6.6.3.14 **Completeness:** To be reliable, the information in financial statements must be complete within the bounds of materiality and cost. An omission can cause information to be false or misleading and thus unreliable and deficient in terms of its relevance.

5.6.6.3.15 **Comparability:** Users must be able to compare the financial statements of an enterprise through time in order to identify trends in its financial position and performance. Users must also be able to compare the financial statements of different enterprises in order to evaluate their relative financial position, performance and changes in financial position. Hence, the measurement and display of the financial effect of like transactions and other events must be carried out in a consistent way throughout an enterprise and over time for that enterprise and in a consistent way for different enterprises.

5.6.6.3.16 An important implication of the qualitative characteristic of comparability is that users be informed of the accounting policies employed in the preparation of the financial statements, any changes in those policies and the effects of such changes. Users need to be able to identify differences between the accounting policies for like transactions and other events used by the same enterprise from period to period and by different enterprises. Compliance with IFRS including the disclosure

of the accounting policies used by the enterprise helps to achieve comparability.

5.6.6.3.17 The need for comparability should not be confused with mere uniformity and should not be allowed to become an impediment to the introduction of improved accounting standards. It is not appropriate for an enterprise to continue accounting in the same manner for a transaction or other event if the policy adopted is not in keeping with the qualitative characteristics of relevance and reliability. It is also inappropriate for an enterprise to leave its accounting policies unchanged when more relevant and reliable alternatives exist.

5.6.6.3.18 Because users wish to compare the financial position, performance and changes in financial position of an enterprise over time, it is important that the financial statements show corresponding information for the preceding periods.

5.6.6.4 Constraints on Relevant and Reliable Information must be taken into account. They are as follows:

5.6.6.4.1 Timeliness: If there is undue delay in the reporting of information it may lose its relevance. Management may need to balance the relative merits of timely reporting and the provision of reliable information. To provide information on a timely basis it may often be necessary to report before all aspects of a transaction or other event are known, thus impairing reliability. Conversely, if reporting is delayed until all aspects are known, the information may be highly reliable but of little use to users who have had to make decisions in the interim. In achieving a balance between relevance and reliability, the overriding consideration is how best to satisfy the economic decision-making needs of users.

5.6.6.4.2 Balance between Benefit and Cost: The balance between benefit and cost is a pervasive constraint rather than a qualitative characteristic. The benefits derived from information should exceed the cost of providing it.

The evaluation of benefits and costs is, however, substantially a judgmental process. Furthermore, the costs do not necessarily fall on those users who enjoy the benefits. Benefits may also be enjoyed by users other than those for whom the information is prepared; for example, the provision of further information to lenders may reduce the borrowing costs of an enterprise. For these reasons, it is difficult to apply a cost-benefit test in any particular case. Nevertheless, standard-setters in particular, as well as the preparers and users of financial statements, should be aware of this constraint.

5.6.6.4.3 Balance between Qualitative Characteristics: In practice a balancing, or trade-off, between qualitative characteristics is often necessary. Generally the aim is to achieve an appropriate balance among the characteristics in order to meet the objective of financial statements. The relative importance of the characteristics in different cases is a matter of professional judgment.

5.6.6.5 True and Fair View/Fair Presentation: Financial statements are frequently described as showing a true and fair view of, or as presenting fairly, the financial position, performance and changes in financial position of an enterprise. Although this framework does not deal directly with such concepts, the application of the principal qualitative characteristics and of appropriate accounting standards normally results in financial statements that convey what is generally understood as a true and fair view of, or as presenting fairly such information.

5.6.7 The Interpretations of International Accounting Standards issued by the International Financial Reporting Interpretations Committee (IFRIC) (formerly, the "Standing Interpretations Committee" (SIC)) do not have the same status as IAS, but, in accordance with IAS 1, Presentation of Financial Statements, paragraph 11, "financial statements should not be described as complying with International Accounting Standards unless they comply

with all the requirements of each applicable Standard and each applicable interpretation of the Standing Interpretations Committee".

CHAPTER SIX

LEGAL

6.1. MAJOR ACTORS

6.1.1 Legal Department under the supervision of **GM Legal** will supervise the execution of the Project Funding Agreement ("PFA") with the Principal Investigator after final approval of the Project proposal is received in his office. A template PFA is attached as Form 6-A.

6.2. PROJECT PORTFOLIO

6.2.1 The signed PFA will have annexed to it a "Project Portfolio", which will delineate the scope of the Project and will comprise of the following documents:

- a) Approved Project Proposal (including Terms of Reference)
- b) Phased Disbursement Schedule
- c) Project Monitoring Schedule
- d) Milestones Chart

6.2.2 Any variation to the documents included in the Project Portfolio by the relevant departments must be notified to the GM Legal immediately upon the variation being agreed with the PI. The GM Legal will execute amendments to the PFA to reflect the variations in the Project Portfolio.

6.3. PROCEDURE

6.3.1 Verified approval and the notification of acceptance, initiated by GM SED and duly signed by the PI, shall be forwarded to GM Legal, along with the Project Portfolio.

6.3.2 GM Legal will invite the PI to sign the PFA. GM Legal will verify the legal competence of the PI to sign the PFA (e.g. where the PI is representing a consortium, powers-of-attorney or board resolutions by the consortium members).

6.3.3 The signing of the PFA shall be completed within 14 days of receipt of notification of acceptance. The PFA shall be signed by the CEO on behalf of the Company.

6.4 Intellectual Property Rights:

6.4.1 The PFA provides for the IPR developed under the project to vest in the Company. Where IPR results in a project (referred to as "Developed IPR" in the PFA), the PI is required to execute such licenses, assignments or other documentation as may be required under the relevant applicable laws to vest the IPR in the Company. GM Legal will determine the nature of legal documentation required for this purpose and will advise the PI for execution and delivery of such documentation from time to time as appropriate.

6.4.2 The R&D Fund Rules provide for the right of the Company to commercial exploitation of the Developed IPR. Where any project draws on Developed IPR of another (completed or under process) project funded by the Company, the SED will seek advice from the GM Legal. The GM Legal will advise on the legal documentation requirements for the particular Developed IPR and forward the draft documentation for signing by the CEO simultaneous with the signing of the PFA. Such documentation will be kept separate from and not form part of the PFA.

6.5 Dispute Resolution:

Three tiers of dispute resolution are provided:

- 6.5.1 All disputes prior to the approval of a project proposal will be resolved under the Appeal Process outlined in section 5.3.
- 6.5.2 Disputes after the PFA is signed:
- 6.5.3 In the first instance, the appellate procedure outlined in section 5.3 will be followed.
- 6.5.4 If the PI is not satisfied with the outcome of the appellate process, it may invoke mediation by an Expert from amongst the roster of Experts maintained by the Company. Mediation by the Expert shall be governed under Section 11 of the PFA.
- 6.5.5 Either the Company or the PI may, if dissatisfied with the decision of the Expert, refer the dispute to arbitration in accordance with Section 11 of the PFA.

CHAPTER SEVEN

PROJECT MONITORING

To ensure efficient utilization of resources monitoring department will continuously monitor all the funded projects. After completion of the evaluation process projects approved for funding shall be forwarded to Monitoring department for periodic review and evaluation.

7.1 MAJOR ACTORS

7.1.1 **The Monitoring Department** will develop a monitoring plan to examine the progress of all R&D funded projects, under the supervision of the GM Monitoring.

7.1.2 Each project will be monitored by a **Project manager (PM)**. Each manager shall be examining not more than 07 projects at a given time. The number of managers and projects assigned to them will depend upon the criticality of the projects and the magnitude of the funding activity.

7.1.3 In some cases **subject experts and financial experts** (from within or outside the R&D Fund organization) may be assigned the job of monitoring projects, subject to the scale/criticality of the project. Experts from outside the organization shall be hired on service contracts for monitoring the project performance.

7.2 R&D FUND MONITORING MODEL

A proactive effective monitoring model is designed to facilitate the monitoring process. The basic components of the model are;

7.2.1 Definition of specific objectives for the R&D Project

At the completion of each monitoring phase, in case of negative variance, project may be realigned by the GM, Monitoring Department. This realignment of project will redefine the objectives of the project for the subsequent phase.

7.2.2 Setting up Monitoring Schedule

7.2.2.1 A proposed Project Monitoring Schedule (PMS) will be developed inline with the Milestone Chart (MC) by the SED and forwarded to monitoring department along with the approved proposal. The PMS will be finalized; based on whether there is a need for site examination, and what should be the frequency of monitoring. These decisions will be made on the basis of criteria such as; scale of the project, duration, risk level, previous track record on such projects/PI, etc. Monitoring Department may bring about changes in the PMS as required.

7.2.2.2 Exact dates shall be assigned to each milestone. A realignment decision in the preceding phase of the project monitoring will result in a change in the objectives and milestones of the project, which must be incorporated in the subsequent phase for appraisal.

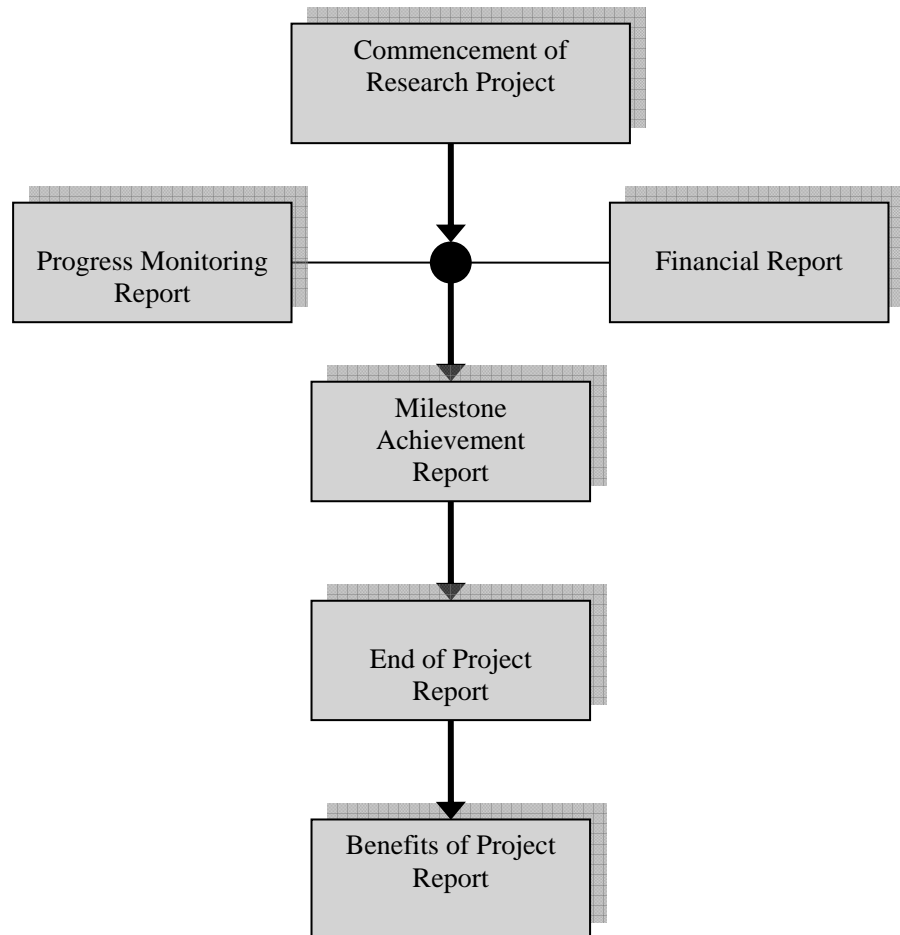
7.2.2.3 Frequency of periodic audits will also be chalked out in the PMS.

7.2.2.4 Project Reports and frequency: PMS shall include details of the reports and their frequencies. Deadlines shall be defined for each report. Principal Investigator will be required to submit following reports to the Monitoring Department:

Report	Submission of the Report	Dead lines for PI
Project Progress Report Form 7A	Quarterly Submission <i>(For the projects having a duration of > 1 Year)*</i> Bi Monthly Submission <i>(For the projects having a duration of < 1Year)*</i>	Within first week of the following month (the frequency of the report may be varied by MD /SED)
Financial Report Form 7B	Quarterly Submission	Within 7 days of completion of a quarter.
Milestone Achievement Report Form 7C	For the completion of each phase/achievement of each milestone <i>(There should be at least two milestones in a Year)*</i>	Within 7 days from the date of planned milestone, or at least twice a year on 30th June and 31st December, according to the project schedule.
End of the Project Report Form 7D	At Project Completion	Within 14 days of project completion

7.2.2.5 Project Manager shall ensure that reports submitted and site visits take place as per schedule. PI must comply with the above mentioned deadlines. Failure will result in a notice for written explanation of delay. If explanation provides justifiable grounds for delay and there is no past track record of such delays, then monitoring team may extend the dead line. Depending on the frequency of monitoring this extension in deadline may vary from 4-6 weeks time.

7.2.2.6 Flow of Project Reports Submission



7.2.2.7 Site visits schedule (if required) shall be planned. (The monitoring team will monitor the projects by conducting on site visits)

7.2.2.8 The monitoring team may involve in discussions with the PI at any stage during the monitoring of the project.

7.2.2.9 The project closure will be made at the submission of Form 7-D (end of project report) by PI. A committee comprising of relevant PM, MPE and Finance Manger will visit the site of the project and conduct a final audit of the project after which the end of project report will be accepted by R&D Fund Co. The acceptance is to be signed by GM, monitoring Department. At

this stage the legal department will be notified to transfer or repossess the assets purchased with the grant. The final payment, if any will be released at the acceptance of Form 7-D.

7.3 Appraisal/ Evaluation

- 7.3.1 Appraisal/Evaluation is a tool to determine whether the specific aims and objectives associated with the completion of a milestone, are achieved or otherwise.
- 7.3.2 The monitoring team will evaluate monitoring reports independently. These reports (depicting actual results) will be compared with the scheduled project plan (objectives of the project). All **Project Reports** along with a subjective appraisal will be forwarded to the CEO.
- 7.3.3 **Periodic Audits** will be conducted by monitoring team. If any financial improprieties are suspected at any stage of the project, they may recommend a full financial audit of the project by an independent auditor. If these improprieties are confirmed during audit, R&D Fund Co. may either cancel the project with/without punitive actions or may propose changes in financial procedures of the project so as to avoid any future impropriety.
- 7.3.4 **Site Visits:** The Project Manager will coordinate with the PI and monitoring team the site visit. Monitoring team will have a pre-site visit meeting to agree upon the objectives and mechanism for the site visit. The meeting will facilitate the conduct of site visit. Monitoring team will compile its findings from the site visit in the form of a site visit report. Site visit report Format is included in the appendix as (Form 7F).
- 7.3.5 The deadlines for analyzing and forwarding the reports & appraisals for project monitoring team are as listed below; The reports will be forwarded to both CEO and PAC
- 7.3.6 All Bi-Monthly Progress Reports along with the appraisals must be submitted to the CEO/ PAC no later than 07 days from the date of submission of report and in case of Quarterly Progress Reports, 14 days from the date of submission of report by PI.

- 7.3.7 The Milestone Achievement Report along with the appraisal must be submitted within 07 days from the date of submission of report by PI.
- 7.3.8 The End of Project Report along with the appraisal must be submitted within 14 days from the date of submission of report by PI.
- 7.3.9 A site visit report shall be submitted by the monitoring team within 07 days from the date of site visit (if there is any site visit on schedule).
- 7.3.10 A periodic audit report by the monitoring team within 7 days from the date of audit.
- 7.3.11 Benefits of the Project report will be prepared and submitted within 18 months after project completion. The report will be prepared by Monitoring Department; independent consultant may also be hired. General format for report is attached as (Form 7E)
- 7.3.12 GM monitoring shall ensure compliance with the above mentioned deadlines.

7.4 Measurement of the Variance

- 7.4.1 Project progress will be determined by calculating the variance. Project reports shall be evaluated independently to check for variances. Desired objectives shall be compared with the actual objectives achieved, in terms of project deliverables and milestone achievements.
- 7.4.2 Where there is no variance from the standards, funds will be disbursed unconditionally and project shall smoothly proceed on to the next phase.
- 7.4.3 Positive Variances shall not hinder the progress of the project i.e. funds will be disbursed for next phase; however, this variance shall be noted down and will be accounted for in the upcoming project appraisal.

- 7.4.4 Corrective action in case of negative variance:** In a situation where there is a negative variance, the core problem areas will be identified. If the variance in the Monitoring Reports persists for more than two phases, monitoring team will propose the corrective measures to fix that particular problem. The MD or PMC may ask the Principal Investigator to realign the project. If the problem area lies in the controllable domain, project realignment shall take place, and changes in the objectives of the project shall be incorporated for the subsequent phase.
- 7.4.5** In other instances, however, where problems cannot be rectified, through realignment, as the variance has entered uncontrollable domain. Project termination process may be initiated by R&D Fund Co., if there is a continuous variance for more than two phases of monitoring.
- 7.4.6** The R&D Fund Co. may ask the PI for a presentation at any phase of the project to defend the variances.

7.5 CONTINGENCY PLANS

- 7.5.1** The whole monitoring process should be efficient and transparent and should follow a proactive approach as clearly stated in the policy document. For the purpose of regulating the whole process and to cope up with the contingencies, the monitoring department should have the following documents in hand:
- 7.5.1.1 Project Funding Agreement
 - 7.5.1.2 Project Proposal
 - 7.5.1.3 TOR
 - 7.5.1.4 Milestone Chart
 - 7.5.1.5 Monitoring Reports including the PMS

7.6CHANGE REQUEST

- 7.6.1** Project Manager will be responsible for entertaining change requests by the Principal investigator. All such requests shall be submitted on change request form, to the concerned monitoring manager, by the PI/institution. Monitoring team shall give its recommendations on the change request and forward the same to the GM Monitoring. Change request form is included in appendix (Form 7G)
- 7.6.2** All changes, if approved would lead to relevant modifications in PFA.
- 7.6.3** GM Monitoring may seek advice from GM SED or CFO for review of change request in a meeting. These recommendations will facilitate decision. Final approval on Change request shall be granted by different authorities as per following schedule:
- | | |
|---------------------------|-------------------------------|
| 7.6.3.1 Tier I Projects | GM Monitoring |
| 7.6.3.2 Tier II Projects | CEO |
| 7.6.3.3 Tier III Projects | PMC (co-opt PAC and/or F&A C) |
| 7.6.3.4 Tier IV Projects | Board |
- 7.6.4** Final decision shall be communicated to the Principal investigator within 07 days from the date of submission of change request form.
- 7.6.5** Any changes approved shall be incorporated in the Project Funding Agreement accordingly.
- 7.6.6** In case of rejection of change request, project shall proceed as per the original contract.
- 7.6.7** Principal investigator may file an appeal according to the appeal process described in section 5.3.
- 7.6.8** If the PI/institution does not agree with the final decision, and cannot proceed with the original contract, the dispute shall be resolved in accordance with section 6.5 of this manual.

7.6.9 Request for changes may include following;

7.6.9.1 Changes in contract periods: Changes in contract period of a project beyond the original project contract period can be in the form of

7.6.9.1.1 No cost extension: To assure adequate completion of the original scope of work within the funds already made available, a change request for extension of the expiration date of the contract may be submitted by PI to Monitoring manager. The request must be submitted prior to the expiry of 4/5th of the original contract period of the Project, and must include

7.6.9.1.1.1 Need for extension

7.6.9.1.1.2 Estimate of un-obligated funds remaining

7.6.9.1.1.3 And a plan for the use of those funds.

The extension should not be given merely for the purpose of using unobligated funds. The plan must adhere to the original objectives of the project. The PI are cautioned not to make new commitments or incur new expenditures after the expiration date in anticipation of a no-cost extension.

7.6.9.2 Additional funding support: In unusual circumstances, additional funding may be requested to assure adequate completion of the original scope of work. Such requests for supplemental funding support should be submitted to the PM at least two months prior to the need for the additional funds (or in case of shorter duration projects at least 15 days before the completion of the next planned phase) and must be adequately justified. Decisions regarding whether or not to grant supplement without external merit review of the supplemental request will be made according to the project category as mentioned in 7.4.2. Requests for larger supplements may require external merit review.

A request for supplemental support must include following;

- 7.6.9.2.1 A summary of the proposed work;
- 7.6.9.2.2 A justification of the need for the supplemental funds; and
- 7.6.9.2.3 A budget, highlighting the use by budget category of the additional funding as distinguished from the original funding provided in those categories of cost. Principal Investigators are required to sign the supplemental funding request
- 7.6.9.3 F&A committee may not approve requests for supplemental support without assigning any reason for that. If approved, the Finance department will amend the project contract to provide additional funding for the current support period. The amendment notice will specify both the amount of supplemental funding and the cumulative amount awarded through the expiration date.

7.6.10 Re-appropriation of Funds among sub-heads without changing the overall budget: Principal investigator can request for re-appropriation of funds among various budget sub heads. If change request is within 5% of the original sub head budget and does not exceed 500,000(cumulative of all such approved requests to date) the monitoring team after getting consent from CEO may approve changes. In case the change exceeds the above mentioned limits, approval from PMC will be required.

7.6.11 Changes in project direction or management.

- 7.6.11.1 **Changes in Objectives or Scope:** Neither the phenomena under study nor the objectives of the project stated in the Proposal or agreed modifications thereto can be changed without prior R&D Fund approval. Such changes should be proposed to the concerned R&D Fund PM by the PI on change request form.
- 7.6.11.2 **Changes in Methodology:** The PI, operating within the established policies of the Institution, should feel free to pursue interesting and important leads that may arise during the conduct of a research (or other

R&D Fund-supported) project or to adopt an alternative approach which appears to be a more promising means of achieving the objectives of the project. Significant changes in methods or procedures should be reported to PM.

7.6.11.3 Significant Changes, Delays or Events of Unusual Interest

7.6.11.3.1 In the event there are problems, delays or adverse conditions that will materially affect the ability to attain the objectives of the project or to meet such time schedules as may have been proposed, PI/Institution should notify the PM.

7.6.11.3.2 PM should be informed of any events of unusual interest that occur during the course of the project. Reports, communications or photographs should be submitted

7.6.11.4 **Changes in PI or Person-Months Devoted to the Project:** The R&D Fund decision to support or not to support a proposed project is based to a considerable extent upon its evaluation of the proposed PI knowledge of the field of study and his/her capabilities to conduct the project in an efficient and productive manner. This is reflected in the R&D Fund criteria for the selection of projects for funding. The named PI should be continuously responsible for the conduct of the project and be closely involved with the effort.

7.6.11.4.1 **Basic Requirements:** If the PI plans to, or becomes aware that he/she will: (a) devote substantially less effort to the project than anticipated in the approved proposal; (b) sever his/her connection with the institution; or (c) otherwise relinquish active direction of the project, he/she shall advise the institution on behalf of which he/she would be conducting the project, (in case where PI is an individual not representing any entity, PM would deal directly with him/her for all the subsequent sections) who shall initiate action appropriate to the situation under the guidelines that follow.

- 7.6.11.4.1.1 **Absence of PI:** If the PI will be absent from the project for short periods of up to three months, The institution must notify the PM of arrangements for conduct of the project during the PI's temporary absence. In the event the PI will be away from the project for a period greater than three months (e.g. sabbatical leave) but intends to return, arrangements for oversight of the project shall be sent to PM. This information must be provided at least 28 days before departure or as soon as practicable after the prospective absence is known.
- 7.6.11.4.1.2 **Change in Person-Months Devoted to the Project:** If the PI will devote substantially less time to the project than anticipated in the proposal, as a reduction of 25% or more in time) he/she should consult with the PM. If PM determines that the reduction of effort will substantially impair the successful execution of the project, it will consult the GM Monitoring and
- 7.6.11.4.1.2.1 request the institution to nominate a replacement PI acceptable to the R&D Fund Monitoring manger; or
- 7.6.11.4.1.2.2 initiate the termination procedures or
- 7.6.11.4.1.2.3 negotiate an appropriate modification to the project.
- 7.6.11.5 **Withdrawal of PI:** In the event the PI severs his/her connection with the institution or otherwise relinquishes active direction of the project, the institution's representative (or Pi himself in case of an individual), must notify the PM and either:
- 7.6.11.5.1 initiate transfer of the grant from One Organization to another Organization When a PI transfers
- 7.6.11.5.2 nominate a substitute PI or
- 7.6.11.5.3 initiate contract termination procedures
- 7.6.11.6 **Substitute PI:** In the event the institution desires to continue the project with a substitute PI, the institution must inform the PM about the

substitute PI's name, qualifications, and current and pending support for research from all sources.

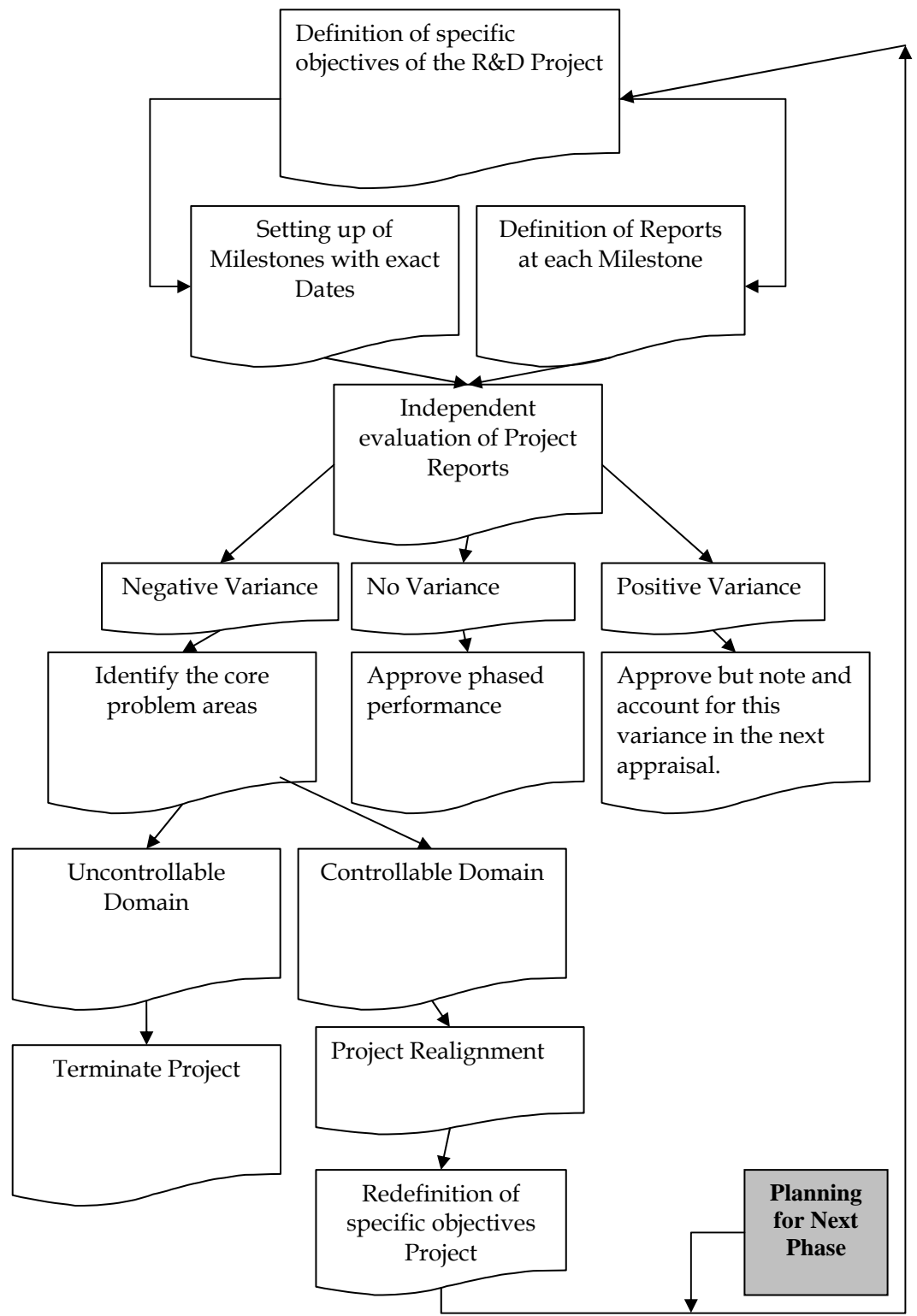
7.6.11.7 Disposition of a Research project when a PI transfers from one Organization to another Organization: When a PI plans to leave an organization during the course of a research project, the organization has the prerogative to nominate a substitute PI or request that the research project be terminated. In those cases where the PI's original and new organizations agree, R&D fund will facilitate a transfer of the research project and the assignment of remaining un obligated funds to the PI's new organization. This should normally be done with a tripartite agreement (involving R&D fund, the PI's original organization and new organization), or by a subaward arrangement (in certain circumstances) between the PI's original and new organizations, subject to the consent from the required authority according to the project category.

7.6.11.8 Contracting or Transferring the Project Effort (Sub awards): Excluding the procurement of items such as commercially available supplies, materials, equipment or general support services allowable under the project contract, no significant part of the research or substantive effort under an R&D Fund project may be contracted or otherwise transferred to another organization without prior R&D Fund authorization. The intent to enter into such arrangements should be disclosed in the proposal submission. If it becomes necessary to contract or otherwise transfer a significant part of the research or substantive effort after a project has been made, the institution shall submit, at a minimum:

7.6.11.8.1 a clear description of the work to be performed;

- 7.6.11.8.2 the basis for selection of the sub-awardees (except for collaborative/joint arrangements)and
- 7.6.11.8.3 A separate budget for each sub award.
- 7.6.11.8.4 The request must be submitted and R&D Fund authorization will be indicated by an amendment to the project. R&D Fund grant conditions will identify which articles flow-down to subawardees.

7.7FLOW CHART: PROCESS FLOW PROJECT MONITORING



CHAPTER EIGHT

PUBLICATIONS

8.1. MAJOR ACTORS

8.1.1 **Publication Department** will be responsible for the all R&D Fund internal and external publications. The basic responsibility of the Publication Department is to create an effective link between various departments, stakeholders and the principal investigators, through making appropriate publications available to all of them. The Publication Department will also publish all the periodic reports of the R&D Fund and the results of the individual projects.

8.1.2 Publication process will require an effective link among the **Monitoring Department, CEO, Board** and the **Publication Department**

8.2. PUBLICATION PROCESS

The basic responsibility of the Publication Department is to ensure the smooth flow of information to all the internal and external stakeholders. The publication process will consist of following elements;

8.2.1. All progress reports of R&D Funded projects shall be forwarded to Publication department for compilation of annual and interim publications of R&D Fund Co. Coordination department will forward the following reports;

8.2.1.1. R&D Fund Co. Financial Reports

8.2.1.2. R&D Fund Co. Audit reports

8.2.1.3. Project monitoring reports and appraisals

8.2.1.4. Research articles and dissertations submitted by the PI

8.2.2. Publication dates for all R&D Fund Co. publications shall be set by

the Board keeping in mind the relevant information required and the information flow systems within R&D Fund Co.

- 8.2.3. Manager internal publication will be responsible for contents, layout design, proof reading, publishing, and distribution of all the internal publications of R&D Fund Co. The internal publications will include; News Letters, Annual/Interim R & D Fund projects progress reports, R&D Fund Co. management reports (Appraisals & Achievements).
- 8.2.4. Manager external publication will be responsible for contents, layout design, proof reading, publishing, and distribution of all the external publications of R&D Fund Co. The external publications will include. Program Solicitation Advertisements / RFP, Brochures, Annual R & D Fund Activity reports, Annual reports, Annual Audit reports, Benefits of the Project Reports, Overall achievement reports for donors and funding agencies.
- 8.2.5. GM Publication will select appropriate media for each publication, subject to the frequency, timing, importance of publication and target stakeholders. Both print & electronic media may be used as required.
- 8.2.6. Printer will be selected through a process of competitive bidding on contractual basis for a period not exceeding three years after which the process will be repeated. The same printing house may be selected for another period.

8.3. SUBJECT MATTER OF R&D FUND ACTIVITY REPORTS

8.3.1 All R&D Fund Activity Reports will be published periodically in order to keep other departments and stakeholders informed about the progress and activities of the R&D Fund Company. The progress of ongoing projects will also be published in these reports.

8.3.2 The basic purpose behind the publication of the Activity Reports will be, to keep stakeholders informed about the progress of the R&D Fund and its performance in that particular year.

8.3.3 The report amongst other must contain the following information

8.3.1. Total number of R&D projects initiated during the period

8.3.1.1. Classification by Category

8.3.1.2. Classification by value-chain

8.3.1.3. Classification by Sponsor/ Stakeholder

8.3.2. Total number of projects completed and delivered during the period

8.3.2.1. Individuals comparisons of Projects with the milestone schedule

8.3.2.2. Comparative figures for the various projects from the corresponding periods

8.3.3. Total Funding provided during the period

8.3.3.1. Funding made available for new project

8.3.3.2. Phased Funding for existing Projects

- 8.3.4. Details of financial contribution (if any) by the stakeholders
 - 8.3.4.1. Funding classification according to defined categories
 - 8.3.4.2. Comparisons with budgeted figures at the beginning of the period
- 8.3.5. Project Results
 - 8.3.5.1. Success/ Failure Ratio
 - 8.3.5.2. Commercialization of output/product
- 8.3.6. Investment by Category and impact assessment
 - 8.3.6.1. Investment by industry segment and impact assessment
- 8.3.7. Future Projections
 - 8.3.7.1. Budgeted figures for each category for the next three quarters
 - 8.3.7.2. Targets for the next period
- 8.3.8. Summary of variance analysis for the past targets and budgets
- 8.3.9. R&D Fund reviews the types and number of reports from time to time and add/remove reports for the optimal information flow to all stakeholders.

8.4. ANNUAL REPORT

- 8.4.1. At the end of each financial year , the Publication department shall prepare an annual report of the Company's activities over the previous twelve months.
- 8.4.2. The exact structure and content of the report shall be at the discretion of the CEO. It shall include, though not necessarily be limited to:
 - 8.4.2.1. A review of the Company's activities throughout the year
 - 8.4.2.2. A review of progress made by R&D Fund in promoting R&D Fund activities in the ICT sector , indicating the extent of participation by

Industry , Academia and Public and Private sectors.

8.4.2.3. An analysis of the effectiveness of the above activities in meeting the overall objectives of the Company

8.4.3. Details of R&D projects funded by the Company, along with details of the Principal investigators and Institutions.

8.4.4. Details of Projects completed during the period.

8.4.4.1.A financial summary of disbursements for projects by R&D Fund

8.4.4.2.A summary of disputes along with their outcome and the time taken to achieve resolution

8.4.4.3.Details of any significant changes or developments in the Company establishment

8.4.4.4.Any important strategic measures which the CEO intends to implement over the next twelve months in order to meet its objectives.

8.4.5. Once approved by the Board, the report will be forwarded to Stakeholders.

8.5. MAJOR PUBLICATIONS

8.5.1. Internal Publications

Distribution group: Board members, CEO R&D Fund, GMs of various Departments of R&D Fund and other staff.

Publication	Scope	Timing/ Frequency
News Letters	Major news/ happening and achievements of the quarter.	Quarterly
Annual and Interim R & D Fund projects progress reports	Progress reports of individual projects based on monitoring reports.	Annually and Quarterly or monthly as per the scale of the project
R&D Fund Co. Management reports (Appraisals & Achievements)	Management reports to highlight the achievements of R&D Fund Staff.	Annually

8.5.2. External Publications

Distribution group: In addition to internal stake holders these publications shall be distributed to Principal Investigators from Relevant Industry Segment, All ICT Players/ Contributors to R&D Fund, relevant Government departments. These publications will be available online on R&D Fund website for public consumption

Publication	Scope	Timing/ Frequency
R & D Fund Activity reports	Highlighting the funding activity undertaken by R&D Fund during the year.	Annually
Annual Reports	Including financial reports.	Annually

Project benefit Reports	For individual projects, covering broad benefits of the project to the ICT sector/society	One month after submission by PI.
Brochures	Announcements and promotions	As per requirement
Overall achievement reports	Designed for donors and funding agencies to highlight the achievements of R&D Fund Projects over the time.	Annually

In addition to the above mentioned reports Publication Department will be responsible for

8.5.3. Calendar of events

Highlight of major upcoming events during the year will be circulated within the R&D Fund Co, including schedules for all important meetings.

8.5.4. Publications in Journals

Publication of Articles and personal narratives written by R&D Fund staff or board members in national and international journals.

8.5.5. Announcements

Announcements of public hearings or legislation about R&D Fund Co. (without making any political comment on them)

8.5.6. Archives

Publication department will maintain archives of all of R&D Fund CO's publications, press releases and articles published in journals.

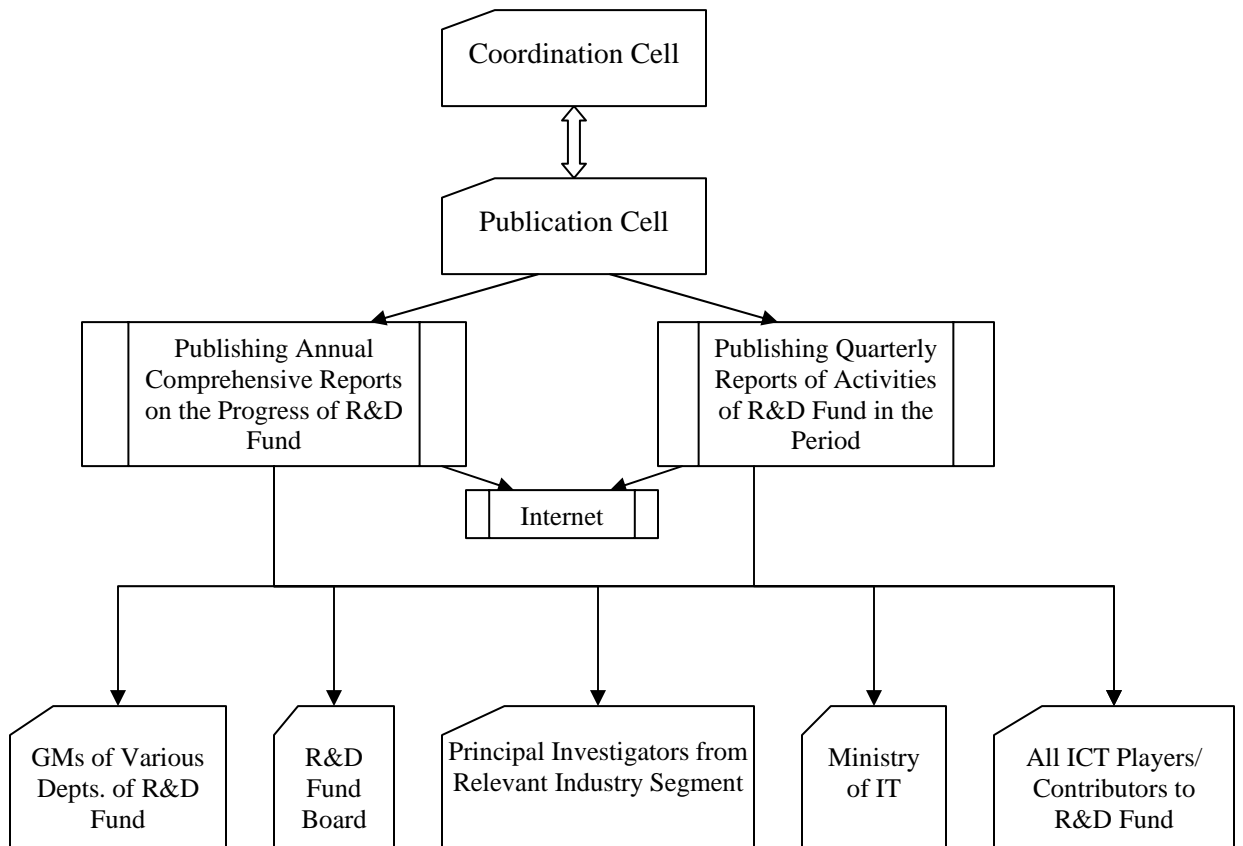
8.5.7. R&D Fund Co. website.

- 8.4.7.1 Publication department will upgrade the website on monthly basis.
- 8.4.7.2 The information to be posted on the website includes;
 - 8.4.7.2.1 R&D Fund Co. mission and objectives, list of Funding options R&D Fund Co. offers, staff list, mailing address, phone numbers and fax numbers.
 - 8.4.7.2.2 Contribution opportunities and information, Job openings, Event announcements, Press releases, Articles and personal narratives written by R&D Fund staff or board members, announcements of public hearings or legislation about R&D Fund Co. and archives of R&D Fund CO's publications, including annual reports, most recent issues of general newsletter, press releases and articles published in various national and international journals.

8.6. COMMERCIALIZATION OF PROJECTS:

- 8.5.1 Researchers are encouraged to publish the results of their projects in local and overseas journals and publications; however, to ensure the protection of national interests, prior approval from the head of their institutions is mandatory, in case they represent an institution or a consortium.
- 8.5.2 Overall Media relation strategies are designed and implemented by the Publication Department.

8.7. FLOW CHART: PROCESS TO MAKE RESULTS OF R&D PROJECTS AVAILABLE TO STAKE HOLDERS



CHAPTER NINE

COORDINATION

9.1. MAJOR ACTORS

9.1.1 Coordination department headed by **GM Coordination** will be responsible for creating an effective network with in the Company as well as with the national and international strategic partners. **Mangers Coordination** will maintain communication inside the company and will create liaison with the national and international organizations

9.2. INTERNAL COORDINATION

If the efforts across various departments would be poorly coordinated the output would remain below full potential, therefore manager coordination will develop a mechanism for smooth flow of information across the departments.

9.2.1. Internal communication network

All correspondence within the organization between various Departments will be though Coordination department.

As mentioned in the publication process, Coordination Department will assist the Publication Department for information gathering necessary as input to various repots. These reports will be used for the compilation of all Company publications.

9.2.2. Management controls

9.2.2.1. Manager coordination will prepare and submit to the CEO a weekly Status report on every Monday.

Weekly status report will include;

9.2.2.1.1. A checklist of tasks planned for the week,

9.2.2.1.2. Deadline dates for the tasks,

9.2.2.1.3. Current status on planned deadlines,

9.2.2.1.4. Responsible employee

9.2.2.2. Employees failing to comply with the deadlines will give explanation, giving reasons for the delay. If the CEO is not satisfied with the explanation or in case of repetitive failures to comply with dead lines, CEO may give a recommendation to HR committee. HR committee will give its recommendation to the board for further action.

9.3. EXTERNAL COORDINATION

The Manager Coordination will ensure that training systems and mechanisms are developed to facilitate coordination and linkage between industry, academia and research institutions.

9.3.1. Networking with Strategic partners/stakeholders

9.3.1.1. A roster of Funding agencies, Donor organizations, Academia, and Industry will be maintained and regularly updated by the Manger coordination.

- 9.3.1.2. Manager Private Sector Coordination has the responsibility to develop strong relationships with funding agencies, international donors, corporate world and private sector research organizations.
- 9.3.1.3. Manager Public Sector Coordination is responsible to track all possible complementary strategic partners with respect to various themes across various ministries and government bodies
- 9.3.1.4. Manager Coordination will access the relevant funding agencies and donor organizations after theme selection by board, to check for the availability of funds. And will compile its report on fund availability within 30 days (from theme selection meeting) and forward it to the Finance and Audit committee. Report will cover following elements
 - 9.3.1.4.1. Public sector strategic partners with respect to the current theme.
 - 9.3.1.4.2. Private sector strategic partner with respect to the current theme
 - 9.3.1.4.3. Extent of contributions by the strategic partners.
- 9.3.1.5. It will coordinate thematic focus amongst all stakeholders within and outside the ICT domain. For non ICT related problems relevant funding organizations will be identified and a coordinated effort will be made to solve the problems.
- 9.3.1.6. After completion of financial evaluation of each individual project, coordination department will be notified, to identify and access academia or other departments that have links to the value chain. Coordination Department will give its report

on willingness and extent of fund contribution by these departments, within 30 days of the notification. As mentioned in fund allocation process.

9.3.2. Develop Promotion/ publicity plan

9.3.2.1. Overall media relations' strategies will be developed to promote R&D Fund Co. to the media and public. Coordination department will work in coordination with publication department for all media campaigns. The Lead role in this respect however rests with the Publication Department.

9.3.2.2. The Manger Coordination will assist Publication and SED in launching RFP. A comprehensive Promotion program will be developed for publishing research activities undertaken by the Company

9.3.3. Development of potential PI capabilities

9.3.3.1. The coordination department will chalk out a strategy to help potential project beneficiaries in developing better proposals and project reports. Coordination Department will engage third party assistance in reaching to the doorsteps of all potential PIs and their institutions.

CHAPTER TEN

HUMAN RESOURCE

10.1. MAJOR ACTORS

10.1.1 Governance and Human Resources Committee will review the HR policies including hiring, retention, training, staffing, compensation and training policies and procedures. (Composition of the Committee is discussed in detail in LAFS)

10.1.2 All hiring will be made by the **Board**, the **HR governance committee**, or the CEO however the board has the discretion to delegate the hiring authority to an executive of the organization for any/all line positions/posts below his/her own cadre and staff positions/posts for himself/herself and for support of line positions /posts below his/her own cadre. The hiring authority will be determined as per provisions of LAFS.

10.1.3 Manager HR and Administration will be responsible for handling day to day HR and administrative matters.

10.1.4 Within 1 year of the functioning of the Company Board will hire independent Consultants for developing a comprehensive HR Policy of the Company covering all the aspects of Human Resource in detail.

10.2. HR POLICIES & PROCEDURES

10.2.1 The Organizational Tiers

The organizational Tiers are defined as:

1 st Tier	Chief Executive Officer
2 nd Tier	General Managers / CFO
3 rd Tier	Managers
4 th Tier	Deputy Managers
5 th Tier	Assistant Managers

10.2.2 Creation, Abolition and Re-designation of Posts:

The Board has the discretion to amend the organizational structure to suit the needs of the R&D Fund Co. at any given point in time. Board shall be empowered to create temporary or regular posts and to abolish or re-designate any existing category or post as per need of the Company. It may also decide to merge existing positions.

10.2.3 Job Description

Responsibilities of individual Company staff members will be set out in formal Job Description documents drafted by the appropriate General Manager, based on the job descriptions provided in LAFS. Flexible job descriptions will be created to encourage the employees to grow within their positions and learn how to make larger contributions to company.

10.2.4 Post advertisement

All posts/ vacancies will be advertised through newspaper/ appropriate media, to reach potential applicants. Manager HR and Administration will maintain a database of all applicants for future employment opportunities.

10.2.5 Selection process

To ensure fairness in selection process and to avoid future disputes in this regard, consistent procedures for evaluating the applicant's resumes will be designed and implemented.

Appointments shall be made on the recommendations of the appropriate committee constituted for the purpose.

10.2.6 Promotion/ appointment

Appointment to all posts shall be made by the Board/HR Governance Committee or CEO. Appointments can be made by direct recruitment or/and by promotion.

Selection Authorities are summarized in the following table.

Employee Category	Selection Authority
Tier I	Board
Tier II	Board on the recommendation of HR Governance Committee
Tier III	CEO on recommendation of HR & Governance Committee
Tier IV & V	CEO

10.2.7 Appointment of Experts on Contractual Basis:

The Company may engage persons on contract to undertake and perform a variety of tasks as defined by the CEO.

The request for the engagement of persons on contract will be initiated by the General Manager of the relevant Company Department, stating the need for external advisors, the essential qualification of such, the intended scope and likely cost of their retention, and the key benefits that their use is expected to deliver. Requests for the engagement of external consultants will be considered by the CEO. In case the likely cost of such an engagement exceed Rs 1,000,000, the formal approval of the Board must be obtained.

10.2.7.1 External Evaluators (EE) will be selected from a pool of Academicians and Industry Professionals contractually engaged by the R&D Fund to act as EE when their services are required. The Pool at any time must consist of at least 30 Academicians and 15 Industry Professionals. The pool may consist of international experts including foreign nationals, which will be identified by the SED and approved by board.

The remuneration for each EE must be set by the SED while making the contractual arrangement on a project to project basis. A retainer may also be made part of the contractual obligation.

10.2.7.2 In some cases **subject experts and financial experts** from outside the R&D Fund organization may be assigned the job of monitoring projects, subject to the scale/criticality of the project.

10.2.8 Employment principles.

10.2.8.1 Equal Opportunity Employment

R&D Fund will be an equal opportunity employer. R&D Fund shall not discriminate on the basis of religion, sex, age, marital status, disability, or on any other basis protected by law.

10.2.8.2 Workplace Free of Discrimination

R&D Fund shall provide a facilitating work environment to all its employees, where they can reach their fullest potential. For this purpose every one is required to contribute for a respectful workplace environment, free of any kind of harassment, intimidation, bias, or discrimination.

10.2.8.3 Rules of Conduct

R&D Fund will provide written Rules of Conduct to employees at the time of hiring. These rules will help promote a conducive workplace environment, these among others may include following;

- Expected behavior towards each other employees, PIs, Board Members, and the public.
- Expectations to follow R&D Fund's policies.
- Employee and PIs relationship standards.
- Work and break schedules.
- In R&D Fund any misconduct including sexual harassment, conflict of interest, Nepotism, corruption etc is unwelcome conduct and will result in strict disciplinary action against persons involved in such an offence.

10.2.8.4 Confidential Information

The employees should not disclose any confidential information or trade secrets except as necessary to perform their duties and through a non-disclosure agreement or other confidentiality provision approved by Legal.

In addition, employees should also observe good security practices and keep confidential information secure from outside visitors and anyone else without a legitimate reason for that. Likewise, employees should also respect the confidentiality of others' information and trade secrets.

10.2.9 Personnel Record keeping

Manager HR & Administration will maintain a personnel file for each employee.

Each file must include at least the following information:

10.2.9.1 Particulars of the Personal Folder:

The personal folder must contain the following information:

- I) Name
- II) Father's name
- III) Date of Birth
- IV) Place of Birth
- V) Domicile
- VI) Nationality
- VII) Educational Qualification
- VIII) Professional Qualification
- IX) Prior Work Experience.
- X) Permanent Address
- XI) Date of Appointment (w.r.t. letter of appointment)
- XII) Date of Joining
- XIII) Promotion Dates & Grades
- XIV) Appointment Held
- XV) Pay & Allowances Details
- XVI) Fringe Benefits Details
- XVII) Leave Record

10.2.9.2 Record Retention

All personnel documents, hiring information, including applications; and all supervisory notes involving personnel decisions must be retained by the R&D Fund for three years or until all litigation, claims, or audit findings are resolved, whichever is longer.

10.2.10 Employee Benefits

10.2.10.1 Leave

All leave applications shall be processed by the Manager HR and Administration upon approval from the relevant departmental GM.

All employees will be entitled to a **casual leave** up to maximum of [21] working days per calendar year

Employee may be granted **Sick Leave** during illness if the leave application is supported by a certificate from a registered medical practitioner

All employees are entitled to one month paid leave in one calendar year. These leaves may be added up to the next year quota at the end of the year. All paid leave are encashable at the end of a financial year.

Sick leave shall be granted for a total period not exceeding 365 days during the entire service of an employee. Further sick leave not exceeding six months on full pay may be granted in special cases of prolonged illness

10.2.10.2 Fringe benefits and Procedures

The board may from time to time decide as to what fringe benefits to be provided to the employees. It is recommended that as a base minimum all employees should be provided with comprehensive medical insurance and a contributory provident fund. R&D Fund should have written policies regarding staff benefits.

10.2.10.3 Staff Orientation and Training

10.2.10.3.1 Initial Training

R&D Fund should provide all employees with initial training, including supervised instruction about specific job functions covered in their job description. Documentation of all initial training should be included in the employee's personnel file.

10.2.10.3.2 Staff development

R&D Fund should have written staff development policies. It is recommended that R&D Fund provide ongoing staff development. These may include constructive evaluation techniques, accounting trainings, budgetary process trainings, or multicultural trainings.

10.2.11 Performance Appraisal

Yearly performance appraisal of the employees of the organizations will be done through a 360° performance appraisal verified by the CEO. The CEO performance appraisal will be verified by the Chairman of HR committee. All decisions regarding promotion/demotion/increment or decline will be made by the HR committee based on the yearly performance appraisal. Board and the HR governance committee have the discretion to change or amend the type and duration of performance appraisal system.

10.2.12 Probationary Period

Except the employees appointed on contract or on special terms, all employees appointed to a post in each tier shall on appointment be placed on probation period of three months.

10.2.13 Retirement , Resignation and Termination Procedures

10.2.13.1 Superannuating & Retirement:

All permanent employees of the Company shall be subject to compulsory retirement at the age of 62 as per the policies and procedures laid down by the board. However the age of superannuating may be extended if provided in the policies and procedures. Policies and procedure will include the terms and conditions for re-employment.

10.2.13.2 Resignation

All employees of the Company may resign from the service of the Company after providing the prior notice in writing or in lieu of notice, pay to the Company an amount equal to his basic pay for the notice period. The notice period of one month is required..

10.2.13.3 Termination of Service

Provided that the competent authority may allow at its sole discretion, all or any of the benefits ordinarily admissible on retirement from service to an employee whose services has been terminated under this rule, except in case of employees involved in frauds, forgeries, misappropriation, defalcation, causing any other financial loss to the Company, business pursuits, living beyond means or any other type of misconduct.

10.2.13.4 Dismissal

The Company has the right to dismiss or discharge an employee if he is found guilty of misconduct, insubordination, intemperance, breach of trust or neglect of duty, provided, however that the employee charged of misconduct is afforded reasonable opportunity of explaining and defending his action and a decision is taken after an independent, impartial and unbiased inquiry

It is recommended that reasons for the action and documentation of terminations (e.g. date, time and specific cause) be clearly stated in the employee's personnel file.

Form 3A
TERMS OF REFERENCE

A. Introduction *(A detailed introduction of the project and the theme)*

B. Background

C. Objectives

D. Scope

Tasks:

Task Description: *(Please describe each of the tasks in detail)*

E. Time Schedule:

F. Methodology & Resources

G. Reports

Form 3B
REQUEST FOR PROPOSALS

A. Organizational Overview
B. Theme/Priority Area Code
C. Theme/Priority Area Description Program titles and Program numbers corresponding to the theme attached as annexure to RFP
D. Notice of Invitation
E. Proposal submission
F. Human Resource Employed and Relative Investment

G. Assumptions and Agreements
H. Project Evaluation Criteria
I. Submission Deadline
J. Notification of Acceptance/ Rejection:
K. Submit Proposal To
L. For Additional Information or Clarification, Contact

Required Proposal Format is attached with RFP

Form 3C

APPLICATION GUIDELINES AND FORMS

PURPOSE

Application form should be used for applying research grant under R & D Fund.

INFORMATION REQUIRED

All application for R & D Fund should be submitted using standard R & D Fund Application Form. Each form should consist of only one project.

RESPONSIBILITY

Principal Investigator is required to submit to R & D Fund SED one hard copy of application form together with the Institutional Summary Application in single merged electronic file in excel format.

SUBMISSION PROCEDURE

One copy of the application form is to be mailed to;
R & D Fund
Solicitation and Evaluation Department
Address

Proposal/Application Form

I. PROJECT IDENTIFICATION

A. Program number (Please refer to the annexure in RFP)
B. Program title. B1. Project title
C. Principal Investigator/PIs (Please indicate the name as in NRIC of the Principal Investigator.) Name: NRIC: C1. Program Head Name: NRIC:
D. Organization (Please indicate the name, address, telephone and fax of the organization in which the Principal Investigator is based)
E. Key words (Please provide a maximum of 5 key words that describe the research of the project. The key words will be incorporated in a database on research)

II. OBJECTIVES OF THE PROJECT

A. Specific objective of the project (Please describe the measurable general and specific objectives of the project and define the expected results. Use results-oriented wording with verbs such as 'to define . . .', "to determine .', 'to identify . . .')

B. Research background of the project (Please indicate if the project is new, Modified or extended. Give a summary of your literature review to indicate the originality of the proposed research, and describe related research to assist in assessing the research rationale and potential for success)

- **Project status (please indicate)**

☐ New ☐ Modification to previous Project ☐ Extension of existing project

- **Literature review summary**

- **Related research**

C. Type of research (Please indicate the type of research, one only ;

- ☐ 1. Fundamental Research
- ☐ 2. Applied Research
- ☐ 3. Product/Process development
- ☐ 4. Social/Policy Research

D. Socio-Economic objective being addressed by the project (Please identify the Sector and sub-sector which most appropriately describe the main beneficiary of your proposed project.

E. Fields of research (Please indicate the main FOR areas, which most appropriately describe the scientific discipline of your proposed project.

- Primary field of research
- Secondary Field of Research

F. Priority Area, Research Theme, Program being addressed (Please identify the Key Area, and Research Theme under which your proposed project falls. Refer to the R & D Priority Areas for R & D Fund Policy document attached, and R&D theme Solicitation (RFP & TOR).

- Key Area
- Research Theme/ Area
- Research Theme/ Area Code

III. BENEFITS OF THE PROJECT

A. Direct customers /beneficiaries of the project (Please identify clearly the potential customers/beneficiaries of the research results and provide details of their relevance, e.g. size, economic contribution, etc)

B. Outputs expected from the project

C. Technology transfer/diffusion approach (Please describe how the outputs of the project will be transferred to the direct beneficiaries/customers. Please also state if the project outputs are sustainable, i.e. if they can be utilized without further external assistance)

D. Organizational outcomes expected

E. Sectoral/national impacts expected

IV. PROJECT STRUCTURE

A. Research organizations involved in the project (Please identify all research organizations collaborating in the project, and describe their role/contribution to the project)

B. Industry linkages (Please identify any industry or end-user group involved in the project, and describe its role/contribution to the project)

C. Project Team		
Name¹	Organization	Man-month² On project
Principal Investigator/PIs (Please provide name)		
Program Head (Please provide name)		
Researchers (Please provide names or number of researchers)		
Support Staff (Please indicate how many)		
Contract Staff (Please indicate how many)		
Total		

1. Please attach the curriculum vitae of key research personnel. Please follow the format included in Annexure A.
2. Based on 24 man-days per month; please use the man-days per staff category included in the Staff Cost Estimation Form in Annexure D.

V. RESEARCH APPROACH

- A. **Research methodology** (Please describe the research methodology to be followed. Identify specialized equipment, facilities and infrastructure which are required for the project, and indicate which are new)

B. Project activities (Please list and describe the main project activities, including those associated with the transfer of the research results to customers/beneficiaries. The timing and duration of research activities are to be shown in the Gantt chart in Form VI)

C. Key milestones (please list and describe the principal milestones of the project. The timing of milestones is to be shown in the Gantt chart on Form VI. A key milestone is reached when a significant phase in the project is concluded, e.g. completion of test, review, commissioning of equipment, etc)

D. Risks of the project (Please describe the factors that may cause delays in, or prevent implementation of, the project as proposed above; estimate the degree of risk)

- Factors

	Low	Medium	High
• Technical risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Timing risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Budget risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

E. Duration (State the planned starting date of the project and elapsed time, in months, to complete this project; technology transfer activities should be excluded from elapsed time)

- Starting date
- Duration/elapsed time

VI PROJECT SCHEDULE/ MILESTRONE CHART

	200-												200-												200-		200-	
Project Activities	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	S1	S2	S3	S4
Technology Transfer Activities																												

I Planned milestone
 S1 First Semester
 S2 Second Semester

VII PROJECT COSTS

A. Staff costs (please include the yearly staff costs of the project. For computation, use the Staff Costs Estimated Form in Annexure C.

Staff Category	Year 1 (...)	Year 2 (...)	Year 3 (...)	Year 4 (...)	Year 5 (...)	Total
• Salaried Personnel						
• Temporary and contract personnel						
Sub-total staff costs						

B. Direct project expenses (Please include the yearly direct expenses of the project. For computation, use the Direct Expenses Form in Annexure D.

Direct expense Category	Year 1 (...)	Year 2 (...)	Year 3 (...)	Year 4 (...)	Year 5 (...)	Total
• Travel and transportation						
• Rentals						
• Research materials and supplies						
• Minor modifications and repairs						
• Special services						
• Special equipment and accessories						
• Patent Registration costs						
Sub-total direct expense						

C. Total cost (Please add sub-totals of A and B)

Year 1 (...)	Year 2 (...)	Year 3 (...)	Year 4 (...)	Year 5 (...)	Total

VIII PROJECT FUNDING

A. Funding sources (Please indicate funding sources for the project ;)

Funding Sources	Rs.	% of Total Funding
<ul style="list-style-type: none"> • R&D Fund • Internal Funds • Other Sources (Please specify) 		
Total		100%

B. Disbursement schedule for R&D funds, by participating research organization (Please indicate how R&D funding for the project will be allocated)

Organization	Year 1 (... ..)	Year 2 (... ..)	Year 3 (... ..)	Year 4 (... ..)	Year 5 (... ..)	Total
Total R&D Grant						

IX CONTRACTUAL MATTERS

A. Contractual obligations under this project (Please indicate any contractual obligations with third parties that will be entered into for this project)

B. Ownership of intellectual property rights (Please indicate the organization(s) that will own the intellectual property rights that may arise from this project)

C. Approving Officer (of the organization in which the Principal Investigator is based)

Name: _____

Designation: _____

Date: _____

Signature :

Annexure A - CURRICULUM VITAE

Please follow the following format when submitting the curriculum vitae of key research personnel

A. Personnel Data

1. Name :
2. NIC. No :
3. Date and place of Birth :
4. Sex :
5. Nationality :
6. Name of Current Employer :
7. Address :
8. Telephone No. :
9. Fax No :
10. Title or position Held :
11. Signature of Researcher :
12. Date :

B. Educational Qualifications

1. Academic Qualifications

- Degree :
- Field :
- Year :
- Name and Place of Institution :

(Repeat as necessary)

2. Other Professional Courses completed

Field :

Year :

(Repeat as necessary)

C.

1. Number of years of Experience in the Field related to the proposed Project :

2. Fields of Specialization :

3. Major Research Programs/Projects completed :

Title :

From :

To :

Position held :

Major output :

(Repeat as necessary)

Annexure B- Summary of Relevant Past Research Project

A. Project title
B. Relevance to proposed project
C. Organization(s) that were involved in the project (Please indicate the organization that led the project)
D. Names of senior staff <ul style="list-style-type: none">• Program head:• Principal Investigator• Key researcher
E. Description of the project (Please indicate project customers/beneficiaries, research approach adopted and outputs)

D. Research Achievements

1. Honors and Awards

2. Major Publications

3. Number of Patents

4. Major Commercial Achievements

Annexure C – Staff Cost Estimation Worksheet

Role in Project	Total	Principal Investigator	Researchers	Support Staff	Contract Staff
Daily Rate (Rs.)					
Research Activities		Man-Days ¹			
Total Year 1 (200_) Man-days					
Total Year 1 (200_) Cost (Rs.) ²					
Total Year 2 (200_) Man-days					
Total Year 2 (200_) Cost (Rs.) ²					
Total Year 3 (200_) Man-days					
Total Year 3 (200_) Cost (Rs.) ²					
Total Year 4 (200_) Man-days					
Total Year 4 (200_) Cost (Rs.) ²					
Total Year 5 (200_) Man-days					
Total Year 5 (200_) Cost (Rs.) ²					
Total Project Man-days					
Total Project Staff Cost (Rs.)					
Total Man-months ³					

Notes

1. For each research activity, estimate the man-days required by each staff category.
2. Compute the staff cost for each year by multiplying the total man-day by the daily rate of the corresponding staff category. For daily rate computation, refer to guidelines.
3. Compute the total man-months required for the project by dividing the total project man-days by 24. Numbers in parentheses are expense codes as shown in Form VII.

Annexure D – Direct Expenses Estimation Worksheet

Expense Categories and Items	Year 1 (... ..)	Year 2 (... ..)	Year 3 (... ..)	Year 4 (... ..)	Year 5 (... ..)
Travel and transportation					
Rentals					
Research materials and supplies					
Minor modifications and repairs					
Special services					
Special equipment and accessories					
Patent Registration costs					
Total direct expenses					

- If major equipment ,please provide description on page 2 of this appendix

Special Equipment and Accessories (Please describe and provide justification for major purchases)

1. Description
2. Justification
3. Estimated Cost including estimated freight charges, insurance and tax for items to be imported:

Special Equipment and Accessories (Please describe and provide justification for major purchases)

1. Description
2. Justification
3. Estimated Cost including estimated freight charges, insurance and tax for items to be imported:

Special Equipment and Accessories (Please describe and provide justification for major purchases)

1. Description
2. Justification
3. Estimated Cost including estimated freight charges, insurance and tax for items to be imported:

Form 3D

EVENT PROPOSAL GUIDELINES & FORM

PURPOSE

In case any individual, organization or an institution is willing to organize an event, with relevance to the key priority areas of the R&D Fund Company, the organizer will use the Event Management Form as an application for the funding of the particular event.

INFORMATION REQUIRED

The Event Proposal Form must provide the following information, along with other required information:

- Details about the Organizer
- Event Title & Details
- Cost Estimates

RESPONSIBILITY

The Event Proposal Form should be completed and submitted by the Organizer of the event to the Evaluation Department of the R&D Fund Company.

TIMING

The Event Proposal Form will be completed by the Event Organizer at any time during the year.

SUBMISSION PROCEDURE

One copy of the Event Management Form should be mailed to:
<<Address Block>>

Event Proposal Form

A. Name of the Organizer (s):

NIC Number/ Registration Number *(In case of an organization):*

Address:

Phone:

Fax:

Email:

B. Event Details:

Title of the Event: _____

Event Type:

- ☐ Seminar
- ☐ Workshop
- ☐ Training Session
- ☐ Other (Please specify)

Estimated Cost of the event: _____

(Please attach detailed cost schedule with the form)

Duration of the Event: _____

Nature of the Event (s): *(Please check the appropriate box)*

☐ Single Event

☐ Chain of Events

Supplementary Events: *(In case of a chain of events)*

1. _____

2. _____

3. _____

4. _____

5. _____

C. Purpose of the Event : *(Please explain the purpose of the event)*

D. Benefits of the Event: *(Please list down the benefits of the event)*

E. Beneficiaries of the Event:

Form 3E
SCHOLARSHIP REQUEST *(for individuals)*
GUIDELINES & FORM

PURPOSE

The R&D Fund Company will grant scholarships to the individuals/students for ICT related Education Programs. The Scholarship Request Form will provide the R&D Fund Co. with all the information that will help in the endowment of the scholarships to the deserving.

RESPONSIBILITY

The Scholarship Request will be filed by the applicant and he/ she will be required to complete the Scholarship Request Form and provide all required information to the R&D Fund Company. The applicant will also be required to sign an undertaking/ affidavit attached with the Scholarship Request Form.

TIMING

An individual can file the Request for a Scholarship at any during the year.

SUBMISSION PROCEDURE

One copy of the Scholarship Request Form should be mailed to:

<<Address Block>>

Scholarship Request Form

A. Personal Information

2 Photographs
(Passport size)

Name of the Applicant:

Male ☐

Female ☐

Marital Status:

Nationality:

NIC Number:

Address:

Phone:

E-Mail:

B. Academic Information *(Please attach one copy of all academic certificates and other relevant documents)*

Qualification:

Field/ Discipline:

C. Employment Details *(If the applicant is having an employment)*

Name of the Organization:

Designation:

Job tenure *(till date)*:

Official Address:

Phone:

Fax:

E-Mail:

**(Please attach an employment certificate attested by the Head of the Organization)*

D. Scholarship Details

Program/Degree requesting scholarship for:

Duration of the Program/Degree:

Cost of the Program/ Degree or Amount of the Scholarship:

E. Undertaking by the applicant

It is solemnly affirmed that all the information provided is correct. If any information contained herein is found to be untrue, I shall be liable to any disciplinary action. I shall use this scholarship up to the best of my knowledge and abilities and after the completion of the degree I shall serve my country for at least _____ years (*Equivalent to the duration of the Education Program/ Degree*).

Signature of the Applicant: _____

Form 3F

Scholarship Request (For Educational Institutes) Guidelines & Form

PURPOSE

The R&D Fund Company will grant scholarships to the Educational Institutions for ICT related Education Programs. The Scholarship Request Form will provide the R&D Fund Co. with all the information that will help in the endowment of the scholarships to the appropriate Education Programs.

ELIGIBILITY CRITERIA

- The Institution should be recognized by the Higher Education Commission
- The Education Program, for which the Scholarship Request is being filed, should be related to ICT.

RESPONSIBILITY

The Academic Institution will be responsible to file the Scholarship request to R&D Fund Company, for all required information.

TIMING

The Educational Institutions can file the Request for Scholarship at any time during the year.

SUBMISSION PROCEDURE

One copy of the scholarship Request Form should be mailed to:

<<Address Block>>

Scholarship Request Form

A. General Information

Name of the Institution:

Date of commencement:

Address:

Phone:

Fax:

B. Education Program / Degree Information

Degree:

Discipline:

Duration:

Estimated Strength of Students:

C. Impacts/ Benefits of the Program *(Please identify the benefits of the program in accordance with the International inclination)*

D. Career Opportunities for the Students

E. Scholarship Details

Total Cost:

F. Undertaking by the Applicant

It is solemnly affirmed that all the information provided is correct. If any information contained herein is found to be untrue, the Institution will be liable to any disciplinary action. The Institution will ensure the prudent utilization of the scholarship.

Signature of the Head of the Institution: _____

Form 4B

TECHNICAL EVALUATION GUIDELINES & FORMS

PURPOSE

The Technical Evaluation of project proposals will be done for the purpose of determination of the technical merits of the proposed projects.

INFORMATION REQUIRED

The Technical Evaluation will be based on the review of the Application Form/ RFP submitted by the Principal Investigator requesting the R&D Fund.

Various technical aspects of the proposal are required to be assessed by the Principal Investigator's Research Committee and these aspects will be rated between 1 (Inadequate) and 5 (Excellent).

A recommendation for funding of the project according to its scale should also be made by the Evaluators.

RESPONSIBILITY

A complete Technical Evaluation Form will be completed by External Evaluator of the R&D Fund Company.

TIMING

The external Evaluator is required to complete the evaluation report within 7 days of receipt of proposal from internal evaluators.

SUBMISSION PROCEDURE

One copy of the Technical Evaluation form is to be submitted to solicitation and evaluation department.

Technical Evaluation Form

A. Program/ Project number Project Title: Principal Investigator(s): Tel: Fax: Address:					
B. Name of Evaluator: <input style="width: 80px; height: 25px;" type="text"/> Main <input style="width: 80px; height: 25px;" type="text"/> Second Date of evaluation: <input style="width: 60px; height: 25px;" type="text"/> First <input style="width: 60px; height: 25px;" type="text"/> Follow-up					
C. Summary of assessment (Please tick appropriate box. Also, provide additional comments in Section F.)					
	Inadequate		Acceptable		Very Good
	1	2	3	4	5
1. Scientific merit of research objectives	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>
2. Credibility of benefits assessment	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>
3. Feasibility of technology transfer	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>
4. Appropriateness of the project structure	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>
5. Robustness of technical methodology	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>
6. Appropriateness of the risk assessment	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>
7. Cost effectiveness of the approach	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>
8. Commercialization potential	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>
9. Overall assessment	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>	<input style="width: 40px; height: 25px;" type="checkbox"/>

D. Action to take (Please tick the appropriate box)

☐ Application recommended for approval

☐ Rejection of application recommended (*Please list reasons for rejection and suggestions in Section F*)

E. Recommended Funding (Please provide below the recommended Funding for the project)

Cost Categories	Recommended SEC Funding					
<ul style="list-style-type: none">• Temporary and contract personnel• Travel and Transportation• Rentals• Research materials and supplies• Minor modification and repairs• Special services• Special equipment and accessories• Patent registration costs	20__	20__	20__	20__	20__	20__
Total R&D Funding						

F. Comments regarding assessment (Please provide below an explanation for any assessment made in Section C showing a rating below " acceptable", Also provide reasons for proposal rejected and suggestions for improvement.

Project Evaluator

Date: _____

Form 5B

PROJECT MONITORING SCHEDULE

A. Project Identification
B. Project Category <ul style="list-style-type: none">• Tier I• Tier II• Tier III• Tier IV
C. Monitoring Reports schedule <p>General format for monitoring reports schedule is attached as annexure A to this form</p>
D. Site Visits <p>Frequency</p> <p>Purpose</p>
E. Periodic audits <p>Frequency</p>

F. Any other Requirements (Specific to the project)

G. Presentation by Principal Investigator

The monitoring team may involve in discussions with the PI at any stage during the monitoring of the project.

Annexure A

Report	Submission of the Report	Dead line date
Project Progress Report Form 7A	Quarterly Submission <i>(For the projects having a duration of > 1 Year)*</i> Bi- Monthly Submission <i>(For the projects having a duration of < 1Year)*</i>	Exact date (set according to the guidelines in the manual)
Financial Report Form 7B	Quarterly Submission	Exact date (set according to the guidelines in the manual)
Milestone Achievement Reports(as per Milestone chart) Form 7C	For the completion of each phase/achievement of each milestone <i>(There should be at least two milestones in a Year)*</i>	Exact date (set according to the guidelines in the manual)
End of the Project Report Form 7D	At Project Completion	Exact date (set according to the guidelines in the manual)
Benefits of Project Report Form 7E	Within 18 months of the completion of the Project	Exact date (set according to the guidelines in the manual)

Form 6A

DRAFT

Project Funding Agreement

(Project Title and Number)

Between

The [R&D Fund Company Name]

And

[Principal Investigator]

[Date of Agreement]

Contents

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This Project Funding Agreement is made at • this _____ day of _____, 200_.

By and Between

The [R&D Fund Company Name], with its registered office at • (hereinafter referred to as the "Company")

And

[Identify the Principal Investigator / individual/ company / partnership / consortium² / with its [registered office /office] at • (hereinafter referred to as the "Principal Investigator").

Whereas

The Principal Investigator submitted a proposal for the Project (as hereinafter defined) which is approved by the Company for funding. The Parties are now desirous of reducing into writing their agreement on their respective rights and obligations in relation to the execution and funding of the Project and matters related thereto.

NOW, THEREFORE, it is agreed as follows:

1 Definitions and Interpretation

1.1 In this Agreement:

- a) "Agreement" means this signed Agreement and includes the Project Portfolio;
- b) "Project Documents" means:
 - (i) this Agreement;
 - (ii) the Project Portfolio annexed to the Agreement;
 - (iii) the Operations Manual; and

² If a consortium or a joint venture, the "Principal Investigator", being a company or an individual, must hold a power of attorney to enter into this Agreement and bind all participants in the consortium or the joint venture.

- (iv) Amendments to this Agreement and the Project Portfolio agreed between the Parties after the Effective Date.
- c) "Deliverables" means the tasks, activities, products, reports, drawings, plans, documents, data, information and the like, whether in draft or final form, required to be performed or delivered by the Principal Investigator under the Project Documents;
- d) "Developed Intellectual Property" bears the meaning given in Section 6.1;
- e) "Disclosing Party" means the Party which discloses Information to the Receiving Party;
- f) "Effective Date" means the date this Agreement is signed by the Parties;
- g) "Expert" is defined in Section 11.1.2;
- h) "Grant" means the funding for the Project approved in the Project Portfolio;
- i) "Information" means all information or data (whether provided orally, visually, in writing or in any other method) which is directly or indirectly disclosed to or made available to a Party (including its employees, officers, advisers, agents or representatives) hereto by the other Party (including its employees, officers, advisers, agents or representatives) in relation to this Agreement or the Deliverables. Without prejudice to the generality of the foregoing definition, the "Information" shall include but not be limited to: -
- (i) information contained in and/or ascertainable from samples, letters, papers, drawings, manuals, technical and test reports, proposals, financing and legal information; and
 - (ii) any information relating to any Party's processes, procedures, plans, intentions, products and services information, know-how, Intellectual Property and Intellectual Property Rights, market opportunities, customers or other business affairs;

(all references to the “Disclosing Party’s Information” in this Agreement shall be construed accordingly);

- j) “Intellectual Property” bears the meaning given in the Rules;
 - k) "Intellectual Property Rights" bears the meaning given in the Rules;
 - l) "Operations Manual" bears the meaning given in sub-rule (7) of rule 4 of the Rules;
 - m) "Project" means the [project description] as described in the Project Portfolio;
 - n) "Project Portfolio" means the detailed description and plan for the Project approved for funding by the Company and attached to this Agreement as the Annex. The Project Portfolio consists of:
 - (i) Project Proposal (including Terms of Reference) approved by the Company;
 - (ii) Phased Disbursement Schedule;
 - (iii) Project Monitoring Schedule; and
 - (iv) Milestones Chart.
 - o) "Receiving Party" means the Party to whom the Information is disclosed by the Disclosing Party;
 - p) "Rules" means the Research and Development Fund Administration Rules, 2006; and
 - q) "Term" is described in Section 7.1.
- 1.2 Words and expressions defined in any provision of this Agreement other than Section 1.1 hereinabove shall bear the respective meanings assigned to them in the relevant Sections.
- 1.3 All references to the word “including” shall be construed without limitation.

- 1.4 Any reference to a statute or law shall include that statute or law as amended, re-enacted or extended.
- 1.5 The headings in the Agreement shall not be used in its interpretation.
- 1.6 Words importing persons shall include firms and corporations, the masculine shall include the feminine and the singular includes the plural and vice versa, all where the context so requires.

2 Basic Scope

- 2.1 Subject to and in accordance with the terms of this Agreement:
- (a) the Principal Investigator shall execute and implement the Project and shall perform and deliver all Deliverables in accordance with the Project Portfolio; and
 - (b) the Company shall disburse the Grant in accordance with the Project Portfolio.
- 2.2 During the Term, the most recent version of the Operations Manual shall apply to and shall form an integral part of this Agreement. The Operations Manual shall apply for all matters covered therein and not covered in this Agreement.
- 2.3 Amendments agreed and signed by the Parties subsequent to the Effective Date shall form part of the Project Documents. The order of precedence of the Project Documents shall be as follows:
- (a) amendments to the Agreement;
 - (b) amendments to the Project Portfolio;
 - (c) the main body of the Agreement; and
 - (d) the most recent version of the Operations Manual.

3 Principal Duties of the Parties

3.1 Duties of the Principal Investigator

The Principal Investigator shall:

- a) perform and deliver the Deliverables listed in the Project Portfolio with care, skill, diligence, honesty and integrity and with generally accepted standards of good practice at the time applicable thereto;
- b) complete and deliver all Deliverables and perform all its obligations within the time stipulated in the Project Portfolio;
- c) shall comply with any representations, warranties and undertakings provided in the Project Portfolio relating to the quality and contents of the Deliverables;
- d) use its reasonable endeavors for the successful completion of the activities, tasks or deliverables which are not quantified or for which no measurable indices are given in the Project Portfolio;
- e) prepare, maintain and deliver the reports mentioned in the Project Documents, with the reports duly addressing the methods and materials, results, analyses of data, findings and discussion regarding the applicability of the foregoing;
- f) keep detailed records of all acts and things done in relation to the Project and at the Company's request shall either make all such records available for inspection or shall provide the Company with true and accurate copies thereof;
- g) comply with all applicable laws including safety and security standards applicable to the activities and tasks covered under the Project;

- h) apply for, obtain and maintain at all times all permissions, consents, licenses, approvals, authorizations and the like required from any private or public sector entity for performance of its obligations under this Agreement and, where applicable, assign or transfer the same to the Company or its authorized representative for the uninterrupted use, benefit and enjoyment of the Deliverables during and after the Term;
- i) [not, without the prior written consent of the Company which shall not be withheld unreasonably, be involved, whether directly or indirectly or independently or by agreement with any third party, with any research and development project which is in the same field as the Project or a closely connected field or with the research or development of any product or process similar to or closely connected with the Project];
- j) use its best efforts to ensure that all the data, information and beliefs included, or relied upon, in the Deliverables are accurate to the best of its knowledge. All measurements shall be made in accordance with the recognized quality assurance protocols, where applicable. In the event the Principal Investigator obtains or relies on any derived data, information or beliefs, it shall utilize reasonable and customary efforts to ensure the quality and information of such data, information or beliefs; and
- k) promptly and accurately respond to the review of the Deliverables by the Company, either by providing explanations of technical information or by responding to reasonable requests for revisions to the Deliverables.

3.2 Duties of the Company

The Company shall:

- a) disburse the Grant in accordance with the Project Portfolio;
- b) respond to requests for information (which the Principal Investigator is not reasonably expected to obtain itself within the scheme of the Project Portfolio) in a timely and proper manner; and

- c) exercise all powers and discretion vested in it under this Agreement reasonably and with the objective of realisation of the aims and objectives of the Project.

4 Disbursement of the Grant

- 4.1 The Company shall release the Grant in accordance with the Project Portfolio. No payments in excess of the Grant shall be made without express amendments made to the Project Portfolio. All disbursements of the Grant shall be utilised solely for the purposes detailed in the Project Documents.
- 4.2 Disbursements of the Grants shall be based on submission of invoices raised in accordance with the Project Portfolio. Invoices shall track the periodic reports, and shall duly list the work performed and expenses incurred (together with supporting time-sheets, receipts, vouchers and the like). The Company may withhold payment against an invoice pending satisfactory compliance of the relevant Deliverable with the Project Portfolio.
- 4.3 No equipment, material, test apparatus or real property shall be purchased with sums representing the Grant, nor shall any improvement or modification shall be made thereto unless specifically included in the Project Portfolio.
- 4.4 All payments made to the Principal Investigator shall be made net of income withholding or other taxes which under the applicable laws are to be withheld from the disbursements to be made by the Company. The Principal Investigator shall ensure that the financial estimates given in the proposal and approved in the Project Portfolio account for such taxes. No escalation to the Grant shall be admissible for taxes or other withholdings not accounted for under the laws in force on the Effective Date, provided that, the Company may but shall not be obliged to admit of escalations to the Grant on account of taxes or other withholdings which become applicable after the Effective Date during the Term.

5 Accounting

- 5.1 The Principal Investigator shall maintain accurate accounting information and financial records regarding the Project in conformity with generally accepted accounting principles. The Company or its agents shall have access to such

records at any reasonable time during normal business hours during the entire Term and for a period of one (1) year after the expiry of the Term.

- 5.2 The Company may cause to be carried out the audit of the accounting records of the Principal Investigator pertaining to the Project at any time during the Term and within one (1) year after the expiry of the Term.

6 Intellectual Property

6.1 New Intellectual Property

All Intellectual Property created or generated by the Principal Investigator including its officers, employees, consultants, advisers, staff, sub-contractors or agents) in the course or as a result of the performance and delivery of the Deliverables shall vest in and be the absolute property of the Company (the “**Developed Intellectual Property Rights**” or “**Developed IPR**”). The Principal Investigator shall execute or procure the execution of, at Company’s expense, all assignments, licenses, assurances, deeds, documents and acts as may be reasonably required under the applicable laws to vest the Developed IPR in the Company any where in the world. For the avoidance of doubt, the Developed IPR shall not include any Intellectual Property which the Principal Investigator has created prior to the Effective Date or outside of the scope of the Project Portfolio, provided the existence of such prior Intellectual Property is notified and documented in the Project Portfolio. The Principal Investigator shall, upon request, confirm to any prospective licensee or assignee of the Company the rights of the Company under this Section 6.1.

6.2 License for Developed IPR

The Company shall grant to the Principal Investigator a non-exclusive, non-transferable, royalty-free license for the Term to use the Developed IPR solely for the purposes of performing and delivering the Deliverables. The Principal Investigator shall not assign, transfer, license, charge, mortgage, encumber or otherwise use or deal in the Developed IPR without the prior written consent of the Company.

6.3 Existing Intellectual Property

To the extent (a) the Developed IPR incorporate any Intellectual Property of the Principal Investigator or any third party, or (b) where the use, benefit or enjoyment of the Developed IPR is dependent on the existing Intellectual Property of the Principal Investigator or any third party (together, the "**Existing Intellectual Property**" or "**Existing IPR**"), the Principal Investigator shall provide or shall procure the provision to Company of all Existing IPR on the basis of a royalty free, non-exclusive, freely transferable license in perpetuity on the terms and conditions set out in this Section 6.3 for unencumbered and uninterrupted use, benefit and enjoyment of the Developed IPR (the "**Existing IPR License**"). For the purposes of this Section 6.3 "use, benefit or enjoyment" includes adaptation, copying and/or modification of the Developed IPR and that the Company holds the benefit of each Existing IPR License for itself and for any such person to whom it may license, assign or transfer the Developed IPR, on the terms that:

- (a) all costs relating to the Existing IPR License are once only fees included in the amounts payable to the Principal Investigator under the Grant;
- (b) the License shall permit the use of and access to such Existing IPR by any person to whom the Company may transfer, assign or license the Developed IPR;
- (c) where applicable, the Principal Investigator shall place or shall procure that the source coding of any licensed software is placed in escrow with an independent third party and shall require that independent third party to enter into an escrow agreement with the Company;
- (d) the Existing IPR License shall not restrict any of Company's rights and remedies under these conditions in respect of the Developed IPR; and
- (e) in the event that any license to the Principal Investigator for the Existing Intellectual Property is terminated for any reason other than the default of the Company then the Principal Investigator shall at his own expense either:

- (i) obtain a license entitling Company to continue using such Existing IPR; or
- (ii) replace such Existing IPR without detracting from the overall performance,

in each case, in terms no less favorable than the terms of this Section 6.3; and

- (f) The Existing IPR License shall be granted by the Principal Investigator or the Principal Investigator shall procure the grant of the Existing IPR License to the Company on the date any Deliverable making use of or incorporating the Existing IPR is delivered to the Company (whether in draft or final form).

6.4 General

- 6.4.1 The Principal Investigator warrants that it has full and unrestricted right and power to grant or procure the grant of interests in and/or rights to the Existing IPR and the Developed IPR in accordance with the provisions of this Section 6, and the use, benefit or enjoyment of the Developed IPR and, where applicable, the Existing IPR by the Company or any licensee, assignee or transferee of the Company, shall not infringe any intellectual property rights of any person. The Principal Investigator shall fully indemnify the Company without limit from and against all losses, costs, damages and expenses (including legal fees on an indemnity basis) suffered by the Company as result of any failure to obtain a license in terms no less favorable than those set out in this Section 6 (including all costs arising out of any loss of use of such Developed IPR or Existing IPR pending the agreement of a license or the replacement thereof).
- 6.4.2 No reproduction, distribution, presentation, performance or publication of the Developed IPR or derivate works based thereon shall be made by the Principal Investigator without the prior written consent of the Company.
- 6.4.3 The Principal Investigator may publish, disclose, disseminate and use data and information developed by the Principal Investigator in the course of execution of the Project which does not amount to an infringement of the restrictions under Section 6.4.2. For the purposes of this clause, the Principal Investigator shall inform the Company fourteen (14) days in advance of such proposed publication,

disclosure or dissemination along with copies thereof. The Company shall be deemed to have confirmed that such disclosure, dissemination or use shall not infringe the restrictions under Section 6.4.2 if the Company does not object or respond to the notification by the Principal Investigator within the afore-said period. Any publication, disclosure or dissemination consistent with this Section 6.4.3 shall include the following disclaimer: *The information, data, comments and views detailed herein may not necessarily reflect the endorsement or views of the Company.*

- 6.4.4 The Principal Investigator shall be exclusively responsible to ensure compliance with the provisions of this Section 6 by its sub-contractors, employees, agents, licensees, officers and assigns and shall keep the Company indemnified on a full-indemnity basis for any breach by any of the foregoing of the obligations of the Principal Investigator under this Section 6.

7 Term, Termination

7.1 Term

The Term of this Agreement shall be the period for completion of the Project described in the Project Portfolio, as the same may be extended by agreement of the Parties.

7.2 Termination

- 7.2.1 This Agreement, except for those provisions which, by their own terms, extend beyond the Term, shall terminate upon the last to occur of the Company's approval of the final Deliverable, the completion of all Deliverables as detailed in the Project Portfolio and the final disbursement of sums under the Grant.
- 7.2.2 This Agreement shall also terminate where (i) both Parties agree that the Project is no longer technically feasible, or (ii) upon the continuance of an event of Force Majeure in terms of Section 10.1.
- 7.2.3 The Company may, by issuing a notice of termination, terminate this Agreement forthwith if the Principal Investigator:

- (a) is in breach of any of its obligations under this Agreement which breach, if capable of remedy, is not cured by the Principal Investigator within a period of twenty one (21) days after a notice by the Company noting the breach and demanding remedy thereof;
- (b) has delayed the performance or delivery of any Deliverable beyond (30) days of the due date thereof under the Project Portfolio where such delay is not attributable to an event of Force Majeure or has not been consented to in writing by the Company; or
- (c) other than for the purposes of a voluntary reconstruction or amalgamation, makes any composition or arrangement with its creditors; enters into any voluntary arrangement or a composition of debts with its creditors; has an application made under the applicable laws in respect of itself to the Court for the appointment of an Administrator or liquidator; has a winding up order made or a resolution for a voluntary winding up passed or a receiver or manager of its business or undertaking appointed.

7.2.4 The Principal Investigator may, by issuing a notice of termination, terminate this Agreement forthwith if the Company:

- (a) is in breach of any of its obligations under this Agreement which breach, if capable of remedy, is not cured by the Company within a period of twenty one (21) days after a notice by the Principal Investigator noting the breach and demanding remedy thereof;
- (b) delays, without cause, the release of any disbursement of the Grant beyond fourteen (14) days of the due date of payment thereof in accordance with the Project Portfolio; or
- (c) other than for the purposes of a voluntary reconstruction or amalgamation, makes any composition or arrangement with its creditors; enters into any voluntary arrangement or a composition of debts with its creditors; has an application made under the applicable laws in respect of itself to the Court for the appointment of an Administrator or liquidator; has a winding up

order made or a resolution for a voluntary winding up passed or a receiver or manager of its business or undertaking appointed.

7.3 Consequences of Termination

7.3.1 In the event of termination of this Agreement under Section 7.2.3:

- (a) the obligation of the Company to release any disbursement under the Grant shall terminate, provided that, the Company shall remain responsible to make payments due and outstanding for the Deliverables (draft or final) performed and delivered to the Company up to the date of termination unless such Deliverables, in the opinion of the Company reasonably exercised, are not meaningful or capable of use on their own without the completion of the remaining Deliverables under the Project;
- (b) subject to clause (a) above, the Principal Investigator shall forthwith refund any sums disbursed under the Grant which have not been accounted towards a Deliverable (draft or final) accepted by the Company;
- (c) the Principal Investigator shall provide accurate and updated accounting records detailing all sums received under the Grant and their application towards the various activities comprised in the Project Portfolio;
- (d) the Principal Investigator shall forthwith return all Information provided by the Company and provide a written undertaking that no copies or other reproductions of the Information have been retained;
- (e) the Principal Investigator shall execute and deliver all licenses, assignments, deeds and instruments as may be necessary to comply with the provisions of Section 6 to the extent of any Developed IPR or Existing IPR in relation thereto capable of legal recognition up to the date of termination and shall forthwith cease to use or make use of the Developed IPR;
- (f) the Principal Investigator shall forthwith return to the Company any property (movable or immovable, tangible or intangible) acquired by utilising the sums disbursed under the Grant and in this regard execute and deliver any deed, document or license as may be required to perfect the title of the Company to such property; and

- (g) the Principal Investigator shall cease all contact with third parties on Company's behalf or in relation to the Agreement and notify the Company (with details) of the then current status of all work-in-progress. The Principal Investigator shall, upon request, co-operate with and afford the Company all such assistance as the Company may reasonably require to procure, where possible, the completion of the Project by a third party.

7.3.2 In the event of termination of this Agreement under Section 7.2.2 or 7.2.4, subject to the Principal Investigator performing or agreeing to perform the duties listed in clauses (b) through (g) of Section 7.3.1, the Company shall pay to the Principal Investigator (i) all sums under the Grant then due and outstanding for completed Deliverables performed and delivered to the Company, (ii) such sum as shall be fair and reasonable for the work satisfactorily began and performed at the date of termination of the Agreement and, (iii) the reasonable, additional costs directly incurred by the Principal Investigator in terminating the Project which are notified to the Company within three (3) working days after the effective date of termination, such payment being in full and final settlement of any claim which the Principal Investigator may have in respect of such termination.

7.3.4 Termination of this Agreement shall be without prejudice to the rights and obligations which accrued prior to the termination or which by their terms are intended to arise or operate upon or after termination.

8 Personnel

8.1 The Key Personnel

8.1.1 If the Project Portfolio identifies (including by reference to the proposal for the Project) any personnel whose qualifications, skill or experience are integral to the approval of the Project by the Company, such personnel shall be referred to as the "**Key Personnel**".

8.1.2 The Principal Investigator shall insure that the Deliverables are performed personally by the Key Personnel and that they observe and are bound by all provisions of this Agreement.

- 8.1.3 The Principal Investigator shall not change or replace any of the Key Personnel without the prior consent in writing of the Company, provided that, the Company shall be entitled to withhold its consent where the proposed change is likely in the reasonable opinion of the Company to have an adverse impact on the quality of the Deliverables.

8.2 General

- 8.2.1 The Company shall, subject to consultation with the Principal Investigator, be at liberty to object by notice in writing to the Principal Investigator to any person used by the Principal Investigator in the performance of the Deliverables who shall, in the reasonable opinion of Company, misconduct himself or be incompetent or negligent and the Principal Investigator shall forthwith remove such person from the Project and provide an appropriate replacement and that person shall not be again used on the Project without the prior written consent of the Company.
- 8.2.2 Where the Principal Investigator provides any replacement personnel, it shall notify the Company immediately with details of the replacement for approval, which approval shall not be unreasonably withheld or delayed.
- 8.2.3 The Principal Investigator shall ensure that all personnel used in the performance of the Deliverables shall be either engaged under a contract of services or an employment arrangement between the Principal Investigator and the personnel and that no relationship of employer and employee or any privity of contract is created as between any the Company and such personnel. Accordingly: -
- (a) the Principal Investigator shall be fully responsible for all acts, defaults or neglects of such personnel;
 - (b) no such person shall be entitled to any such pay or benefit, holiday pay, any pension, bonus or other fringe benefits or any other advantage or privilege enjoyed by employees of the Company. The Principal Investigator shall ensure that each such person is fully aware of and agrees to the provisions of this Section 8.2.3 and the Principal Investigator shall

indemnify the Company in respect of any claims that may be made to the contrary; and

- (c) the Principal Investigator shall fully indemnify the Company from and against any payment made to any such personnel which is payable under statute, contract or common law as a consequence of such person's employment being terminated or his conditions of employment being adversely changed as a result of:
 - (i) a reduction in the scope of the work under the Project;
 - (ii) the termination of the Agreement; or
 - (iii) the termination of any employment of any such person.

9 Confidentiality

9.1 Save as otherwise permitted by this Section 9, the Receiving Party undertakes and agrees in respect of the Disclosing Party's Information: -

(a) that it shall receive and maintain such Information in confidence and shall not publish or disclose such Information or permit the same;

- (b) to apply to the Disclosing Party's Information no lesser security measures and degree of care than those which the Receiving Party applies to its own confidential information and which it warrants as adequate for the purposes thereof;
- (c) that its shall use the Disclosing Party's Information only for the purposes of the Agreement; and
- (d) not to copy, reproduce, decompile or reduce to writing or permit the same of any part of the Disclosing Party's Information except as may be reasonably necessary for the performance of the Deliverables or where contemplated or permitted in terms of this Agreement.

9.2 The Principal Investigator may disclose the Company's Information only to such of the Principal Investigator's directors, officers and employees ("Permitted

Persons") who need to know the Company's Information for the purposes of the Agreement. The Principal Investigator:

- (a) shall ensure that each Permitted Person is aware of and complies with the obligations of confidentiality set out in this Section 9; and
- (b) shall be responsible for any breach of the obligations of confidentiality contained in the Agreement by such Permitted Person and shall enforce such obligations at its own expense upon the request of the Company.

9.3 The obligations contained in this Section 9 shall survive the termination or expiry of this Agreement.

9.4 The obligations of confidentiality under this Section 9 shall not apply to any Information, which:

- (a) at the time of receipt by the Receiving Party:
 - (i) is in the public domain or thereafter becomes part of the public domain; or
 - (ii) is lawfully already in the possession of the Receiving Party without limitation on disclosure (as evidenced by the written records of the Receiving Party existing on the date of receipt) or subsequently becomes free of limitation on disclosure,

in each case, otherwise than in consequence of breach of the Agreement. For the avoidance of doubt, possession of any Information by any third party who is bound by similar obligations of confidentiality shall not constitute Information in the public domain;

- (b) was lawfully obtained by the Receiving Party from a person (other than the Disclosing Party) under no obligation of confidentiality to the Disclosing Party in respect thereof;
- (c) the Receiving Party is required to disclose by any applicable law, regulation, court order or by any competent judicial, governmental or

other authority or to a Court, arbitration or administrative tribunal in the course of proceedings before it provided that the Receiving Party shall, as soon as possible after becoming aware of such required disclosure, notify the Disclosing Party thereof. The Receiving Party shall be entitled only to furnish that portion of the Disclosing Party's Information which is necessary to comply with the relevant order or requirement;

- (d) the Disclosing Party has approved the release of by written authorization; or
- (e) the Receiving Party wishes to disclose to its professional advisers in connection with the interpretation or operation of the Agreement or any dispute arising there from provided that the Receiving Party shall ensure that such advisers are aware of and comply with the obligations of confidentiality set out in this Section 9 and shall be responsible for any breach of the obligations of confidentiality contained in this Section 9 by such advisers.

9.5 The Principal Investigator agrees that it will not, without the prior written consent of the Company or as otherwise permitted by this Agreement, disclose to any third party the nature or content of the Agreement or the Deliverables.

9.6 The Receiving Party shall fully indemnify the Disclosing Party, without limit, against all losses, cost, damages and expenses (including legal fees on an indemnity basis) arising from any breach of this Section 9.

9.7 Nothing contained herein shall prevent the Company in any manner whatsoever from publishing or disseminating in whole or in part the Deliverables for general information in such manner as the Company may in its absolute discretion deem fit.

10 Force Majeure

10.1 If either Party to this Agreement is prevented or delayed in the performance of any of its obligations under this Agreement by an event of Force Majeure and if such Party gives written notice thereof to the other party, promptly and without

delay and in any case within two (2) working days of the earlier of the occurrence of the event of Force Majeure or the affected Party becoming aware thereof, specifying the matters constituting the event of Force Majeure together with such evidence as it reasonably can give and specifying the period for which it is estimated that such prevention or delay will continue then the Party so prevented or delayed shall be excused the performance as from the date of such notice for so long as such cause or delay shall continue and the respective dates for performance set out in the Project Portfolio shall be extended on a day-for-day basis during the continuance of the event of Force Majeure. If the event of Force Majeure continues to have effect for a period of more than ninety (90) days the Party not claiming relief under this Section 10 shall have the right to terminate this Agreement upon giving a notice of termination to the other Party, such notice to take effect fourteen (14) days after the date thereof, but such notice shall not take effect if the Party claiming relief gives notice within that period that the event of Force Majeure has ceased and that it is capable of resuming its performance under this Agreement.

- 10.2 For the purposes of this Agreement, event of Force Majeure means any cause affecting the performance of this Agreement arising from or attributable to any event or circumstance beyond the reasonable control of the Party to perform and in particular but without limiting the generality thereof shall include strikes, lock-outs, industrial action (that is widespread and not limited to the affected Party), civil commotion, riot, invasion, war, threat of or preparation for war, fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural physical disaster or political interference with the normal operation of the affected Party, provided that, Force Majeure shall not include the lack of financial means for the affected Party to perform its obligations under this Agreement or events or circumstances that would have been reasonably foreseeable and capable of mitigation or prevention by the affected Party.

11 Resolution of Disputes

11.1 Mediation by Expert

- 11.1.1 All disputes which shall at any time arise between the Parties hereto in relation to or in any manner connected with this Agreement ("Dispute") shall, in the first instance, be resolved in accordance with the procedures for appeal stated in the

Operations Manual.

In the event the Principal Investigator is not satisfied with the outcome of the decision in appeal under the Operations Manual, it may within twenty one (21) days thereof issue a written notification of the Dispute ("Dispute Notification") to the Company along with a request for mediation by an Expert. A Dispute Notification shall be effective once given and shall not be questioned by the Company for the reason that attempts at internal resolution by the officials or representatives of the Parties are being undertaken. Mediation by an Expert shall be a condition precedent to any arbitration or other legal proceedings by a Party for the resolution of the Dispute.

- 11.1.2 An "Expert" means a person with appropriate qualifications and experience in the field of information and communications technology who is included in a roster maintained by the Company.
- 11.1.3 The Principal Investigator shall select the Expert simultaneously with the issuance of the Dispute Notification or within seven (7) days thereafter.
- 11.1.4 The Parties shall promptly furnish to the Expert all information reasonably requested by such Expert relating to the particular Dispute. The Expert shall be required by the Parties to use all reasonable endeavors to render his decision within thirty (30) days following the referral of the Dispute to him. In the event of any Party's failure or refusal to furnish the information promptly to enable the Expert to give his decision within the afore-said time limit, the Expert shall note such refusal or failure and shall base his decision on the information made available, provided that, genuine reasons (as determined by the Expert) for the inability of a Party to furnish the requested information shall not be a cause for adverse inferences by the Expert against such Party. The Parties shall co-operate fully with the Expert to achieve a determination within the afore-said period of thirty (30) days.
- 11.1.5 Each Party shall bear its own costs incurred in the process of mediation, provided that, the fees of the Expert shall be borne by the Company.

11.2 Arbitration

If a Party is not satisfied with the decision of the Expert, such Party may within thirty (30) days of the decision of the Expert refer the Dispute for resolution through arbitration by a sole arbitrator appointed by the consent of both Parties or, if the Parties cannot agree on the appointment of a sole arbitrator, then by two arbitrators, one to be appointed by each Party and, in case of disagreement between them, by an umpire who shall be appointed by the said two arbitrators before entering on the reference. The decision of the arbitrators or the umpire, as the case may be, shall be final and binding upon the Parties. The place of arbitration shall be Islamabad and shall be held in all respects in accordance with the Arbitration Act, 1940 or any statutory modification or re-enactment thereof.

11.3 Suspension of performance

Either Party may suspend the performance of its obligations without terminating the Agreement upon issuance of a Dispute Notification.

12 **Miscellaneous**

12.1 Publicity / Media Releases: No publicity releases, including news releases relating to this Agreement and the Project shall be issued by the Principal Investigator or by any person on his behalf without the prior written approval of the Company, which shall not be unreasonably withheld.

12.2 Title to property, Deliverables: All property, movable, immovable, tangible or otherwise acquired or purchased by utilizing sums representing the Grant, and all Deliverables at any stage of the progress of the Project and whether in draft form or completed shall be and remain the absolute property of the Company, provided that, the Company may upon successful completion of the Project transfer title to some or all of the movable and immovable properties to the Principal Investigator.

12.3 Remedies Cumulative: The specific remedies detailed in this Agreement shall be in addition to and not in derogation of any other remedies provided in law or equity.

12.4 Notices: All notices and documents required to be given under this Agreement and all other communications between the Parties hereto with respect to this Agreement shall be in writing and may, at the option of the sender, be sent by hand, registered post, courier or other postal service, telex or facsimile to the following addresses or numbers (or to such other addresses or numbers as notified by the parties hereto in accordance with this Clause):

Principal Investigator : •

Company : •

A notice or communication given pursuant to this Agreement shall be deemed to be served and received by the addressee:

- (a) if delivered by hand, at the time of delivery; or
- (b) if sent by registered post, courier or other postal service, within five (5) days of dispatch or posting; or
- (c) if transmitted by telex or facsimile, the business day following transmission by telex or by facsimile.

12.5 Waiver: Any failure to enforce at any time or for any period any one or more of the terms or conditions of this Agreement shall not be a waiver of them or of the right at any time subsequently to enforce all terms and conditions of this Agreement.

12.6 Severability: In the event that any provisions of this Agreement is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable such provisions shall be deemed amended in such reasonable manner as would achieve the intention of the Parties as closely as possible to the original intent or at the discretion of the Party affected thereby may be severed from this Agreement and the remaining provisions shall remain in full force and effect.

12.7 Sufficiency of Project Documents: The Project Documents set forth the entire agreement and understanding between the Parties as to the subject matter of this Agreement and merge all prior discussion between them and neither of the Parties shall be bound by any conditions, definitions, warranties or representations with

respect to the subject matter of this Agreement other than as expressly provided in the Project Documents or subsequent to the date hereof set in writing and signed by a proper and duly authorized representative of the Party to be bound thereby. The Project Documents supersede any prior agreement between the Parties whether written or oral and any such prior agreement is cancelled as at the Effective Date.

- 12.8 Governing Law and Jurisdiction: This Agreement shall be governed by the laws of Pakistan and the Parties consent to the jurisdiction of the Civil Court at Islamabad.
- 12.9 Time of the essence: Time shall be of the essence for all performances by a Party where a time limit for the relevant performance is stipulated in the Project Documents.
- 12.10 Further Assurances: Each Party shall do all things necessary (including, but not limited to, executing all documents) as may be required to give effect to this Agreement.
- 12.11 Assignment: Neither Party may assign this Agreement and the rights and obligations arising out of this Agreement without prior consent in writing of the other Party.
- 12.12 Successors: This Agreement shall be binding on the heirs, personal and legal representatives, estate, successors-in-title and permitted assigns (where applicable) of the Parties.
- 12.13 Independent Contractors: The Parties are independent contractors. Nothing contained in this Agreement shall constitute or to be deemed to constitute a partnership, joint venture, consortium or agency between the Parties and none of the Parties shall have any authority to bind or commit the other save as authorized by this Agreement.

(the remaining space on this page has been left blank intentionally)

IN WITNESS WHEREOF the Parties hereto have hereunto executed this Agreement as follows:

Signed for and on behalf)
of the Principal)
in the presence of :)

Witness

Name :

Title :

NIC :

Signatory

Name :

Title :

NIC :

Annex

Project Portfolio

Form 7A

PROGRESS REPORT GUIDELINES & FORMS

PURPOSE

The Project Progress Report will enable the Monitoring Department to recommend necessary actions to be taken.

INFORMATION REQUIRED

The Principal Investigator is required to provide an assessment of the progress of the project by rating the various factors from 1(Inadequate) to 5 (Very good). These assessments will help the Monitoring Department to take necessary actions.

RESPONSIBILITY

The Principal Investigator is required to complete the Project Progress Report Form and submit it to the Monitoring Department.

TIMING

The Project Progress Report should be completed and submitted to the Monitoring Department.

Quarterly (For the projects having a duration of more than 1 Year)
Bi- Monthly (For the projects having duration of less than 1Year)

SUBMISSION PROCEDURE

One copy of the Progress Monitoring report is to be mailed to:
<< Address Block>>

Project Progress Report

A. Program / Project number:

Project title :

Principal Investigator (s):

Tel:

Fax:

B. Name of Reviewer:

Contacts of Reviewer:

Tel:

Fax:

Date of Review:

C. Summary of assessment (Please tick appropriate box. Also, provide additional comments in Section H)

	Inadequate		Acceptable		Very Good
	1	2	3	4	5
1. Probable achievement of project objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Milestone Achievement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Appropriateness of Research approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Utilization of human resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Utilization of research equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Timing performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Financial performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Overall assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Action to take

E. Recommended project modifications (Please provide below the recommended modifications to the project)

Form 7B

FINANCIAL REPORT GUIDELINES & FORM

PURPOSE

The purpose of the Quarterly Financial Report is to monitor the expenditures actually incurred by each project funded by the R&D Fund.

INFORMATION REQUIRED

The following information will be required with the Quarterly Financial Report:

- Actual expenditure incurred during the quarter
- Justification of expenditure
- Planned corrective actions (In case of variance)

RESPONSIBILITY

The completion and submission of the Quarterly Financial Report is the responsibility of the Principal Investigator

FREQUENCY

The Quarterly Financial report is to be submitted within 7 days of the end of each quarter

SUBMISSION PROCEDURE

One copy of the Quarterly Financial Report is to be mailed to:

<<Address Block>>

Financial Report

A. Project number:

Project title:

Name of Principal Investigator (s):

Tel:

Fax:

Address:

B. Actual Project Expenditure (Please report the expenditure for the past quarter)

Year:

Quarter:

Project Cost Components	Actual Expenditure
▪ Salaried Personnel	
▪ Temporary and Contract Personnel	
Staff costs Sub-total	
▪ Travel and Transportation	
▪ Rentals	
▪ Research materials & Supplies	
▪ Minor Modifications & Repairs	
▪ Special Services	
▪ Special Equipments & Accessories	
Direct Expenses Sub-total	
Total	

Is this performance in line with the plan? ☐ Yes ☐ No

(Please complete Section C and D)

C. Reasons for variations from budget (Please provide the reasons)

D. Proposed corrective action (Please give details of the proposed action)

Date:

Signature:

Form 7C

MILESTONE ACHIEVEMENT REPORT GUIDELINES & FORM

PURPOSE

The Milestone Achievement Report will help the Monitoring Department to monitor the progress of the projects running under the R&D Fund. The purpose is to check the achievements and progress or the variance in the project plan/milestone chart.

INFORMATION REQUIRED

The Principal Investigator is required to indicate whether the proposed milestone in the project plan is achieved. In case that the proposed/planned milestones are not achieved by the deadline, the Principal Investigator is required to provide:

- Reasons for Non-achievement
- Suggested adjustments to the project approach
- Revised project schedule and budget

RESPONSIBILITY

The Principal Investigator is responsible to complete and submit the Milestone Achievement Report to the Monitoring Department of the R&D Fund.

FREQUENCY & TIMING

The Milestone Achievement Report is to be submitted within 7 days from the date of planned milestone deadline, mentioned in the milestone chart. There should be at least two milestones in a year.

SUBMISSION PROCEDURE

One copy of the Milestone Achievement Report is to be mailed to:
<<Address Block>>

Milestone Achievement Report

A. Project number:

Project title:

Principal Investigator(s):

Tel:

Fax:

B. Milestone Achievement (Please attach the original project schedule from Section VI of the Application Form)

Milestone name:

Planned milestone date:

Achieved: ☐ Yes ☐ No (if no, please complete Sections C,D, E & F)

C. Reasons for Non-achievement

D. Suggested adjustments to the project approach (Please state the changes you propose)

E. Impact on project schedule (Please attach revised schedule, if applicable)

Revised date for this milestone:

New date of project completion:

Original date:

F. Impact on project budget (Please attach revised project budget, if applicable)

Original approved budget: _____

Revised project budget: _____

Date:

Signature:

Form 7D

END OF PROJECT REPORT GUIDELINES & FORM

PURPOSE

The basic purpose of the End of Project Report is to allow the monitoring department to assess the results of research projects and the technology transfer actions to be taken.

INFORMATION REQUIRED

The following information is required in End of Project Report:

- Project Summary
- Extent of achievement of the original project objectives
- Technology transfer and Commercialization approach
- Benefits of the project, project outputs and organizational outputs
- Assessment of project team, research approach, project schedule and project cost

RESPONSIBILITY

The Principal Investigator is responsible to complete the End of Project Report.

TIMING

The End of Project Report should be submitted within 14 days of the completion of Research Project.

SUBMISSION PROCEDURE

One copy of the End of Project Report is to be mailed to:
<<Address Block>>

End of the Project Report

A. Project Number:

Project title:

Principal Investigator (s):

Tel:

Fax:

Address:

B. Project Summary: (Please summarise the project objectives, significant results achieved, research approach and team structure)

C. Objectives and achievements

- **Original Project Objectives** (Please state the specific project objectives as described in Section II of the Application Form)

- **Objectives Achieved** (Please state the extent to which the project objectives were achieved)

- **Objectives not Achieved** (Please identify the objectives that were not achieved and give reasons)

D. Technology Transfer/Commercialization Approach (Please describe the approach planned to transfer/ commercialize the results of the project)

E. Benefits of the Project (Please identify the actual benefits arising from the project as defined in Section III of the Application Form)

- **Outputs of the project and potential beneficiaries** (Please describe as specifically as possible the outputs of the project and the assessment of their benefits to the users)

- **Organisational Outcomes**

- **National Impacts** (Please identify the Sectoral/ National benefits arising from the project, if known at this point in time)

F. Assessment of Project Structure

- **Project Team** (Performance of the team and significant departures in either structure or actual man-days utilized)

- **Collaborations** (Please describe the nature of collaboration with other research organizations)

G. Research Approach (Please highlight the main steps actually performed and indicate any major departure from the planned approach or any major difficulty encountered)

H. Assessment of Project Schedule (Please make any relevant comment regarding the actual duration of the project and highlight any significant variation from the schedule)

<p>I. Assessment of Project Costs (Please comment on the appropriateness of the original budget and highlight any major departure from the planned budget)</p>
<p>J. Additional Project Funding obtained(In case of involvement of other funding sources, please indicate the source and total funding provided)</p>
<p>K. Other Remarks (Please include any other comment which you feel is relevant for the evaluation of this project)</p>
<p>Date: _____ Signature: _____</p>

Form 7E

BENEFITS OF PROJECT REPORT GUIDELINES & FORMS

PURPOSE

The purpose of the Benefits of Project Report is to allow the R&D Fund Co. and the subject experts to assess the benefits derived from the research projects conducted under the R&D Fund Company.

INFORMATION REQUIRED

The Monitoring Department will collect the information based on the project results, specifically in the following areas:

- Direct outputs of the project
- Organizational outputs of the project
- Sectoral/ National impacts of the project

RESPONSIBILITY

It is the responsibility of the Monitoring Department to complete and submit the Benefits of the Project Report to SED and Publication Department. Monitoring Department may engage independent consultant to write the report.

TIMING

The benefits Report is to be completed within three months of notification by the R&D Fund Company.

OR

The Benefits of the Project Report is required to be completed and submitted within 18 months of the project completion.

SUBMISSION PROCEDURE

One copy of this report is to be mailed to:

<< Address Block>>

Benefits of the Project Report

I. Description of the Project

A. Project Identification

Project Number:

Project Title:

Principal Investigator(s):

B. Type of Research

Indicate the type of research of the project (Please see the definitions in the Guidelines for completing the Application Form)

- ☐ Scientific research (Fundamental research)
- ☐ Technology Development (Applied research)
- ☐ Product/ Process Development (Design & Engineering)
- ☐ Social/ Policy Research

C. Objectives of the Project

1. Socio-Economic Objectives

2. Field(s) of Research

a. Primary Field

b. Secondary Field

D. Project Duration

_____ Months

E. Project Manpower/ Project Team

_____ Man-Months

F. Project Costs

What was the total project expenditure?

G. Project Funding

II. Direct outputs of the Project

A. Technical Contribution of the Project

1. what was the achieved direct output of the project:

- For scientific (fundamental) research projects:

- For technology development (applied research) projects:

- For product/ process development (design & engineering) projects:

2. How would you characterize the quality of this output?

- ☐ Significant breakthrough
- ☐ Minor improvement
- ☐ Major improvement

B. Contribution of the project to knowledge

1. How has the output of the project been documented?

- ☐ Detailed project report
- ☐ Product/ Process specification documents
- ☐ Other, Please Specify: _____

2. Did the project create an intellectual property stock?

- ☐ Patent obtained
- ☐ Patent pending
- ☐ Patent application will be filled
- ☐ Copyright

3. What publications are available?

- ☐ Article(s) in scientific publications How many: _____
- ☐ Paper(s) delivered at conferences/ seminars How many: _____
- ☐ Book
- ☐ Other, please specify: _____

4. How significant are citations of the result?

- ☐ Citations in national publications
- ☐ Citations in international publications
- ☐ None yet
- ☐ Not known

III. Organizational Outcomes of the Project

A. Contribution of the project to expertise development

1. How did the project contribute to expertise?

- ☐ PhD Degrees How many: _____
- ☐ MSc Degrees How many: _____
- ☐ Research staff with new specialty How many: _____
- ☐ Other, Please specify: _____

2. How significant is the expertise?

- ☐ One of the key areas of priority
- ☐ An important area, but not a priority one

B. Economic Contribution of the Project

1. How was the economic contribution of the project materialized?

- ☐ Sales of manufactured product/ equipment
- ☐ Royalties from licensing
- ☐ Cost saving
- ☐ Time savings
- ☐ Other, please specify: _____

2. How important is this economic contribution?

☐ High economic contribution Value: _____

☐ Medium economic contribution Value: _____

☐ Low Economic contribution Value: _____

3. When has this economic contribution materialized?

☐ Already materialized

☐ Within months of project completion

☐ Within three years of project completion

☐ Expected in three years or more

☐ Unknown

C. Infrastructural contribution of the project

1. What infrastructural contribution has the project had?

☐ New equipment

☐ New/ Improved facility

☐ New information networks

☐ Other, Please specify

2. How significant is the infrastructural contribution for the organization?

☐ Not significant

☐ Moderately significant

☐ Very significant

D. Contribution of the project to the organization's reputation

☐ Recognition as a Center of Excellence

☐ National Award

- ☐ International Award
- ☐ Demand for Advisory services
- ☐ Invitations to give speeches on conferences
- ☐ Visits from other organizations
- ☐ Other, Please specify

IV. National Impacts of the Project

A. Contribution of the Project to Organizational Linkages

1. Which kind of linkages did the project create?

- ☐ Domestic Industry linkages
- ☐ International Industry linkages
- ☐ Linkages with domestic research institutes/universities
- ☐ Linkages with international research Principal Investigators/universities

2. What is the nature of linkages?

- ☐ Staff exchanges
- ☐ Inter-organizational project team
- ☐ Research contract with a commercial client
- ☐ Informal consultation
- ☐ Other, please specify: _____

B. Social-Economic Contribution of the Project

1. Who are the direct beneficiaries of the project output?

2. How has/ will the socio-economic contribution of the project materialized?

- ☐ Improvement in health

- ☐ Improvement in safety
- ☐ Improvement in the environment
- ☐ Improvement in facilitation
- ☐ Improvement in energy consumption/ supply
- ☐ Improvement in international relations
- ☐ Other, please specify: _____

3. How important is this socio-economic contribution?

- ☐ High social contribution
- ☐ Medium social contribution
- ☐ Low social contribution

4. When has/will this social contribution materialized?

- ☐ Already materialized
- ☐ Within three years of project completion
- ☐ Expected in three years or more
- ☐ Unknown

Date: _____

Signature: _____

Form 7F

SITE VISIT EVALUATION REPORT GUIDELINES & FORM

PURPOSE

The basic purpose of conducting the site visits will be to monitor the progress and transparency of any project. The monitoring Representative or Monitoring Team will evaluate the findings of the site visit in form of the Site Visit Evaluation Report.

INFORMATION REQUIRED

The monitoring team/ representative will seek the following information on the project site:

- Research Methodology
- Project Performance/ Progress (Criteria are defined in the Site Visit Evaluation Report Form)
- Changes/Variance detected
- Violation of regulations
- Details of Project Team

RESPONSIBILITY

The evaluators will be responsible of compiling a transparent Site Visit Report, in order to get the fair progress report about the

TIMING

A site visit report shall be submitted by the monitoring team within 14 days from the date of site visit.

Site Visit Evaluation Report

A. Project Number:

Project title:

Start Date:

Date of completion (Expected):

Principal Investigator:

Tel:

Fax:

Address:

B. Project Evaluation Methodology:

C. Project Performance:

1. Against project objectives and scope
2. Against outcomes
3. Against budget & financial discipline
4. Against schedule & performance management practices

D. Changes detected:

1. Against project objectives and scope
2. Against outcomes
3. Against budget & financial discipline
4. Against schedule & performance management practices

E. Violation of regulations:**F. Project Team:**

- Total members of project team
- Qualification & Expertise of the team members

G. Other Findings: <i>(If any)</i>
H. Recommendations:
I. Conclusion:
Name of Evaluator/ Head of monitoring team: _____
Date: _____ Signature: _____

Form 7G

CHANGE REQUEST GUIDELINES & FORM

PURPOSE

In case there is a need of any modification or realignment in the initial Project Plan, the Change Request Form will provide details of the changed schedule or deviation in funding requirements.

INFORMATION REQUIRED

The Change Request will be based upon the detailed information of all the changes & modifications required in the Project Plan. These changes can be in terms of:

- Project Duration
- Project Cost
- Re-appropriation of funds among sub-heads (without bringing in change in the Total Cost of the Project)
- Project Direction / Management
- Methodology
- Principal Investigator

RESPONSIBILITY

The Change Request Form should be completed and submitted by the PI to the Monitoring Department of the R&D Fund Company.

TIMING

The Change Request can be filed by the PI at any phase/ stage of the Project whenever there is a need of realigning or rescheduling the project from any aspect.

SUBMISSION PROCEDURE

One copy of the Change Request Form should be mailed to:
<<Address Block>>

Change Request Form

A. Project Number:

Project title:

Start Date:

Date of completion (Expected):

Project Status:

Principal Investigator:

Tel:

Fax:

Address:

B. Change Request:*(Please check appropriate box and provide the details in Section C)*

- ☐ Project Duration/ Timeline
- ☐ Project Cost
- ☐ Cost Allocation among sub-heads
- ☐ Project Direction / Management
- ☐ Methodology
- ☐ Principal Investigator

C. Description of the Change Request:

D. Justification:

E. Impact Assessment: *(Please identify the expected impacts of the change)*

F. Alternative Solutions: *(If any)*

Name of the PI: _____

Signature: _____

Date: _____

Form 10 A
EMPLOYMENT CONTRACT

Ref. No:
Date:
To:
Address:

Dear [Mr. /Ms] _____
With reference to your application to the National ICT R&D Fund Co. for the position of _____, we are pleased to inform you that the competent authority has selected you for the position of _____ for Company. As per terms and conditions set out in this letter (the “**Terms and Conditions**”) [for a period of _____ months]. It is requested to counter-sign both copies of this letter in the space provided below to show acknowledgement and acceptance of the Terms and Conditions and return one copy to [_____] at the [address].

Employer	National ICT R&D Fund (G) Limited (the “ Company ”)
Employee	[Mr. / Ms.] _____
Commencement of Employment	The employment shall commence with effect from _____ [2006].
Working Hours	Monday – Saturday [08:30 hours to 17:30 hours] Friday [08:30 hours to 13:00 hours]

The employee may be asked to attend the office for longer hours or on Sundays and gazetted public holidays occasionally if the workload demands.

Salary	A monthly salary of Rupees [_____] will be paid; which shall comprise of:
	Basic Salary Rs [_____]
	House Rent Allowance Rs [_____]
	Utility Allowance Rs [_____]
	Medical Allowance Rs [_____]
	Provident Funds (in advance) Rs [_____]
	Salary shall be subject to the deduction of all Government and local taxes, contributions and the like as may be required to be made under the applicable laws of Pakistan.

Salary may be increased depending on overall performance of the employee as shall be periodically evaluated by the management of the Company. The annual salary review and or revision process takes place in the month of January. However, employees are not entitled to receive any remuneration and or compensation for hours spent on work beyond the working hours stipulated above.

Bonus:

You will be entitled to receive one bonus each year of your employment with the Company commensurate to your one month's basic salary last drawn by you from the Company for a full year's employment, or an amount proportionate to the period of less than a year's employment, with the Company.

In addition, the Company may also consider giving you a year-end bonus in an amount to be determined exclusively by the management of the Company as reward for your personal performance and achievement during the relevant year.

**Comprehensive
Medical
Insurance**

The employee is entitled to comprehensive medical Insurance.

Provident fund

It is hereby agreed that you will be receiving each month of your employment with the Company an amount for provident fund (i.e. in respect of retirement and providence) as set out in the break-up of your Salary above. No gratuity or any other kind of compensation whatsoever therefore shall be owed to you by the Company at the time of your retirement or an early termination of your employment with the Company, whichever occurs first. The Employee hereby irrevocably waives all [his/her] rights of claim in this regard towards the Company.

**[Retirement
Probation Period**

The normal age of retirement is [62 (*sixty two*)] years.

Your probation period with the Company is _____ months from the date of your appointment during which the Company may terminate your employment without any notice or compensation.

**Notice of
Termination**

Subject to your completing probationary period, termination of your employment can be affected at a notice of one month

period by both the parties. Otherwise the payment shall be made in lieu of the notice period.

Transferability

You are liable to serve the Company in any of its office or any other affiliated organization of the Company in Pakistan or abroad.

Vacations/Annual Leave

In addition to the gazetted public and weekend holidays, you will be entitled to a casual leave up to maximum of [21] working days per calendar year.

Permission for leave from work

You may be granted leave from work with pay for the following reasons:

- (1) wedding of the Employee: 2 calendar days
- (2) death of spouse, child, parents or in-laws of the Employee: 2 calendar days
- (3) wedding of Employee's children: 2 calendar days
- (4) birth, baptism or analogous events of Employee's child: 1 calendar day

Time-off for the above reasons shall be taken at the time and calculated as from the date of the events. Should the above events (except death of a relative) takes place outside the city limits of the Employee's place of work, the Employee may take advance annual leave in addition to leave of absence with pay, provided the [_____] is promptly intimated by the Employee regarding such event.

Sick Leave

Employee may be granted Sick Leave during illness if the leave application is supported by a certificate from a registered medical practitioner

Sick leave shall be granted for a total period not exceeding 365 days during the entire service of an employee. Further sick leave not exceeding six months on full pay may be granted in special cases of prolonged illness

Absence without Prior approval

If the Employee is absent for a day or part thereof without prior approval from [his / her] [supervisor] / [immediate superior officer] / [officer in-charge] [he/she] shall not be entitled to any salary whatsoever in respect of the period of [his/her] absence. The Employee may be terminated from service if [he/she] remains absent from [his/her] duty

without prior approval of the Company for [three] consecutive days. The Company may give written warnings to the Employee to terminate [his/her] employment with the Company if it deems appropriate. In such case, the termination of the employment of the Employee shall become effective from the date of service of the third warning to the Employee without any further notice or compensation.

General Rules of Conduct

- (a) The Employee is expected to perform duties assigned to [him / her] and shall properly observe the instructions given to [him / her] by the Company and/or the [_____].
- (b) The Employee is prohibited to work for any other company or carry any out commercial activities during his employment with the Company.
- (c) During the working hours, the Employee shall not leave [his / her] work location without prior permission of the officer in-charge of the Company.
- (d) The Employee is obligated to immediately report to the Company any change of [his/her] address, marital status, home telephone numbers and other personal information relevant for the Company.
- (e) The Employee is obligated to take proper care of the Company's property entrusted to [him / her] or which is in [his / her] use by virtue of [his / her] employment with the Company.

Other Terms & Conditions

- (a) (i) you shall serve the Company honestly and faithfully and shall maintain strict secrecy regarding the Company's affairs and the affairs of its constituents. You shall use your utmost endeavors to promote the interest of the Company and shall show courtesy and attention in all transactions with all outsiders.
- and (ii) You shall not remove copies of any data, document or information pertaining to the Company or any information pertaining to the Company's customers for immediate or further use to any other place or deliver it to any person or transmit or disclose it with the aid of any machine, computer or other system or device to any other place or person without the Company's prior approval or authorisation.
- (b) Your services shall be governed by all the rules and regulations of the Company in force and/or which may be

enforced from time to time and you shall report and carry out the directions given to you from time to time by the management of the Company.

(c) You are required to be punctual to discharge your duties prescribed by the Company. The attendance record shall be given due consideration in the Performance Appraisal.

(d) If it comes to the knowledge of any officer or director or any other person connected with the Company that you have committed, or have knowingly or unknowingly assisted, aided or abetted any person or group of persons connected or not with the Company in misappropriating Company's funds, or have perpetrated fraud upon the Company as above or otherwise, or have committed any other culpable act or omission, you may be liable to severe pecuniary punishment and any other disciplinary action in addition to the Company's right to initiate appropriate legal proceedings, criminal or civil, under the applicable laws of Pakistan.

(e) Without prejudice to the provisions contained in subclause (d) above of the Other Term & Conditions, you shall under all circumstances indemnify the Company for any and all losses, costs and other damages or set backs that the Company may suffer or incur due to any undesirable acts mentioned herein or otherwise that are committed by you, or for any gross negligence attributable to you. The Company also reserves its right to require you at any time to execute a separate indemnity bond or to furnish any other appropriate security as it may deem fit in this regard or otherwise.

(f) This appointment is conditional upon the satisfactory completion of a medical examination which will be carried out by a doctor of Company's choice.

(g) This contract of employment is also conditional upon the final outcome of examination by the Company of your character/experience certificates from your former employer(s) and any references thereto, if any, and in any case, after complete satisfaction of the Company in every respect as the Company deems appropriate.

(h) Breach of any of the aforesaid conditions, and or any of the Terms and Conditions set out hereunder or in any of the rules and regulations of the Company, as amended from time to time, shall be construed as an act of misconduct on your part, and your service shall be liable to be terminated

forthwith irrespective of the quantum or nature of such breach, in addition to exercising the right to invoke the relevant remedial measures available to the Company for such breach.

(i) If there is any conflict between the Terms and Conditions hereof and any rules and regulations of the Company which may be enforced and communicated to the Employee from time to time, the Terms and Conditions of this letter / agreement shall prevail unless specified otherwise therein.

We welcome you to National ICT R&D Fund Co and look forward to a lasting and mutually beneficial association.

For National ICT R&D Fund Co

[_____]

Acknowledgement

and Acceptance

I hereby accept the above position offered to me in your Company upon the Terms and Conditions stipulated in this agreement and contents whereof I have read, understood and accepted.

[Name of the Employee]

N. I. C. No:

Present Residential Address:

Date of Acceptance:

Witnesses:

1. _____

Name: _____

Occupation: _____

Address: _____

2. _____

Name: _____

Occupation: _____

Address: _____
