Terms and Conditions of support under SBIRI Scheme

1. The funds will be given under the scheme to the participating industry and collaborating partners in installments, the first one on signing of the Agreement and the subsequent installments on satisfactory progress of the project as determined by the Apex Committee of SBIRI (ACS).

2. The general terms and conditions are:

2.1 Provision of support under Phase-I :

a. If the actual project cost is upto Rs. 25 lakhs, 80% of the project cost will be available as a government grant.

b. If the actual project cost is between Rs. 25 lakhs and Rs. 100 lakhs, 50% of the project cost will be available as government grant subject to a minimum of Rs. 20 lakhs and maximum of Rs. 50 lakhs.

c. if the project cost is beyond Rs. 100 lakhs, in addition to the Govt. grant of Rs. 50 lakhs, the unit will be eligible for interest free loan upto 50% of the amount (subject to a limit of Rs. 50 lakhs as loan) by which the total project cost exceeds Rs. 100 lakhs.

2.2 Provision of support under Phase-II :

Soft loan upto Rs. 10 crores for a project can be given as per its requirement. Soft loan upto Rs. 100 lakhs will carry a simple interest of 1% while the interest rate will be 2% (simple interest) on the amount of loan beyond Rs. 100 lakhs, per annum on the outstanding amount of the loan.

2.3 Interest will become due from the date of release of funds to industrial partners.

2.4 Repayment of the loan component by the Industry/ies to DBT/SMA shall be in ten equal annual installments and recovery shall commence six months after the scheduled completion of the project.

2.5 The project implementation period shall be the moratorium period and during this period, there shall be no liability for repayment of installments of

loan and interest. However, the entire interest accrued up to the repayment of the loan including the interest accrued during the moratorium period shall be amortized on the date of repayment of last installment of loan and recovered in two equal yearly installments.

2.6 The Industrial Partner will ensure timely repayment of the loan along with installment of interest as per the schedule notified. Any delays in repayment will entail payment of penal interest @ 12% P.A. compounded monthly for the period of delay. Two successive defaults will entail recall of the total outstanding loan immediately.

2.7 The Industrial Partner will maintain a separate account for the expenditure from loan amount for the project. Any interest earned by the firm on the loan amount will be shown as such and credited into the project account and will be adjusted against subsequent release of installments.

2.8 The Industrial Partner will utilize the funds only for the purpose of the project and not for any other purpose including civil constructions & renovation of the R&D and associated facilities. Diversion of funds to other purposes will entail cancellation of the loan and immediate repayment of the outstanding loan amount with a penal interest @ 12% compounded monthly.

2.9 The Industrial Partner will meet any expenditure incurred on the project over and above the loan amount.

3. The Industrial Partner must have an R&D Centre, with valid recognition of Department of Scientific and Industrial Research (DSIR), Government of India; if it is not registered, the firm will undertake to get the R&D Centre so recognized simultaneously while the proposal is under consideration by the department for support under the scheme.

4. In case the output of the project leads to products used in / for healthcare, educational R&D purposes, the Industrial Partner will undertake to sell these at concessional prices to Indian customers in these sectors.

5. In case of reorganization of the Industrial Partner through merger, acquisition, termination, closure etc., the Industrial Partner will undertake to settle the DBT loan even prior to initiating such measures.

6. The provision of the grant to the institution or loan to industry partner does not create any liability explicit / implicit on DBT of the manpower engaged for the project.

7. In case the Industrial Partner decides to abandon the project or for breach of any of the terms and conditions, the entire amount of the loan outstanding on that date shall become recoverable forthwith and it shall be open to DBT to effect the recovery from the firm in any manner DBT thinks fit.

8. In the event that industrial Partner wishes to pay any amounts ahead of the schedule, there shall be no prepayment penalty levied.

9. The industrial as well as public partners shall execute the agreement with the department and all the conditions stipulated therein shall be binding on all the parties.

10. Notwithstanding anything contrary in the agreement, the terms & condition are subject to change as decided by the Government of India from time to time, the Industrial Partner agrees to abide and honour such directions and decisions of Government of India.