



DRDO

Policy and Procedures for Transfer of Technology



Directorate of Industry Interface & Technology Management
DRDO Headquarters, DRDO Bhawan
Rajaji Marg, New Delhi-110011



DRDO

Policy and Procedures for Transfer of Technology

October 2019

Directorate of Industry Interface & Technology Management
DRDO Headquarters, DRDO Bhawan
Rajaji Marg, New Delhi-110011

राजनाथ सिंह
RAJNATH SINGH



रक्षा मंत्री
भारत
**DEFENCE MINISTER
INDIA**



Message

DRDO has made remarkable contributions in the development of cutting edge Defence Technologies and Systems. The defence systems and products developed by DRDO have ensured enhanced operational preparedness of Indian Armed Forces and are contributing to self-reliance in defence.

DRDO is poised to push the growth of defence manufacturing sector through its technologies. Presently, DRDO developed technologies are being transferred to wide spectrum of industries, creating a viable industrial ecosystem, including MSMEs, for sustained industrial growth in Defence sector. This facilitates industries with an environment to create market in India and abroad and also takes forward Government initiatives for industrial growth.

A transparent and robust policy framework is very important for the implementation of plans/ schemes. 'DRDO Policy and Procedures for Transfer of Technology' is a step in this direction. It provides the complete mechanism for transferring DRDO technologies to industries with handholding support for complete absorption of the technology by the industry.

I congratulate DRDO fraternity for their concerted efforts and ingenuity in formulating a comprehensive policy along with a set of procedures. The policy will facilitate ToT to industries from DRDO in most transparent and efficient manner with level playing field among all industries. I am sanguine that this will enhance self-reliance by facilitating the growth of Defence Industrial base and will create more opportunities for industries to meet the demand of Indian Defence Forces, commercial market and export.

"Jai Hind"

Date: Sept, 2019
Place: New Delhi


(Rajnath Singh)

Office : Room No. 104, Ministry of Defence, South Block, New Delhi-110011
Tel. : +91 11 23012286, +91 11 23019030, Fax : +91 11 23015403
E-mail : rmo@mod.nic.in



सत्यमेव जयते

श्रीपाद नाईक
SHRIPAD NAIK

राज्य मंत्री (स्वतंत्र प्रभार)
आयुर्वेद, योग व प्राकृतिक चिकित्सा, यूनानी, सिद्ध,
सोवा-रिग्पा एवं होम्योपैथी-(आयुष) मंत्रालय एवं रक्षा राज्य मंत्री
भारत सरकार
MINISTER OF STATE (INDEPENDENT CHARGE) FOR
AYURVEDA, YOGA & NATUROPATHY, UNANI, SIDDHA,
SOWA-RIGPA, HOMOEOPATHY-(AYUSH) &
MINISTER OF STATE FOR DEFENCE
GOVERNMENT OF INDIA



Message

Science and Technology are the fuel to propel any Nation's growth. The foundation of technological progress is based on intellectual capital. It is therefore essential that we have a repository of knowledge and indigenous technologies.

It is heartening to witness that DRDO has a broad canvas of indigenous Defence technologies covering plethora of disciplines like Aeronautical Systems, Armament and Combat Engineering Systems, Electronics and Communication Systems, Life Sciences, Micro Electronic Devices and Computational Systems, Missiles and Strategic Systems, Naval Systems and Materials.

These indigenous Defence technologies bear fruits in the hands of industries. These guideline, policy and procedure for transfer of technology will be a bridge for transformation from lab technology to a deliverable product.

I congratulate DRDO for evolving 'DRDO Policy and Procedures for Transfer of Technology'. These policy and procedure will go a long way to strengthen Defence Industrial base, enhance self reliance and reduce import dependence of critical defence products and technologies.

"Jai Hind"


(Shripad Naik)

Dated: 01 October, 2019

Station: New Delhi

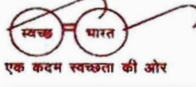
101, AYUSH Bhawan, 'B' Block, GPO Complex, INA, New Delhi-110023
Tel: 011-24651955, 011-24651935 Fax : 011-24651936 E-mail : minister-ayush@nic.in
Ministry of Defence : 114-A, South Block, New Delhi-110011, Tel : 011-23792128, Fax : 011-23016255
Res. (Delhi) : 1, Lodhi Estate, New Delhi-110003 Tel: 011-24635396 Fax : 011-24656910
Res. (Goa) : "Vijayshree" House No. 111, St. Pedro, Old Goa, Goa-403402 Tel. : 0832-2444510, 0832-2444088

डॉ जी. सतीश रेड्डी
Dr G. Satheesh Reddy

FNAE, HFCSI, FRIN (London), FMACANUD (Russia), FAeSI, FRAeS (UK),
HFPMIAI, FSSWR, FIET (UK), FIE, FAPAS, FIETE, AFAIAA (USA)



सत्यमेव जयते
भारत सरकार
Government of India



MESSAGE

सचिव, रक्षा अनुसंधान तथा विकास विभाग
एवं
अध्यक्ष, डीआरडीओ

Secretary, Department of Defence R&D
&
Chairman, DRDO

DRDO, as the incubator of critical defence technologies, works on a wide spectrum of technologies viz Missile Systems, Aeronautical Systems, Armaments, Electronics & Communication System, Combat Vehicles & Engineering, Naval Systems, Micro Electronics Devices & Computational Systems, Life Sciences and Materials. In each technology domain, the contribution of DRDO is immense and our Armed Forces have been benefitted with the outcome of these indigenous technologies. DRDO developed systems have not only provided the thrust on operational preparedness of our Armed Forces, but also have instilled a sense of pride among all with increased self-reliance in defence production.

Industries and defence manufacturing eco system plays a vital role in taking the technology or prototype from the lab to the end User. In this context, the transfer of technologies to the industries becomes very important. The aim of transfer of technology is to manufacture the systems/ products based on DRDO developed technologies to provide indigenous solutions to our Defence Forces. This will boost the growth of defence manufacturing sector and achieve greater self-reliance in defence technologies and systems.

Towards this aim, DRDO has formulated 'Policy and Procedures for Transfer of Technology (ToT)' to facilitate industries to receive technology more efficiently with utmost effectiveness. This ToT policy and procedures will make Indian industries more self-reliant, competitive and flourish.

Jai Hind

(Dr G. Satheesh Reddy)

Date : 09 Oct 2019

रक्षा मंत्रालय, रक्षा अनुसंधान तथा विकास विभाग, डीआरडीओ भवन, राजाजी मार्ग, नई दिल्ली-110011
Ministry of Defence, Department of Defence R&D, DRDO Bhawan, Rajaji Marg, New Delhi-110011
दूरभाष/Phone : 011-23011519, 23014350, फैक्स/Fax : 011-23018216, ई-मेल/E-mail : secydrdo@hq.drdo.in

डा. एस गुरुप्रसाद
विशिष्ट वैज्ञानिक
एवं
महानिदेशक (प्रोड कोड एवं एस आई)

Dr. S Guruprasad
DISTINGUISHED SCIENTIST
&
DIRECTOR GENERAL (Prod Coord & SI)



सत्यमेव जयते



रक्षा मंत्रालय
MINISTRY OF DEFENCE
रक्षा अनुसंधान तथा विकास संगठन
DEFENCE RESEARCH & DEVELOPMENT ORGANISATION



MESSAGE

DRDO is developing critical defence technologies in various technology domains to cater for the needs of our esteemed Armed Forces. The production of the systems/products thus emanating out of these technologies is important in order to meet the demand of the user. In this context, the transfer of technology to the industries becomes very important.

DRDO's endeavour of producing indigenous systems and equipping our Armed Forces with home grown technologies creates more self-reliance in defence technologies and defence manufacturing in India. Keeping pace with the initiatives of Government of India on enhancing the growth of manufacturing sectors in India, DRDO is playing a vital role in 'Make in India' & 'Start up India' schemes of Govt of India. DRDO has created an industrial ecosystem for the manufacturing of defence with massive participation of MSMEs. The induction of many key Defence systems and platforms such as missiles, Light Combat Aircraft, Electronic Warfare Systems, Armaments, Engineering Systems, etc are the testimony of these industrial ecosystem created by DRDO.

The present ToT policy and procedures will further consolidate the defence industrial manufacturing base and enhance the growth of defence manufacturing sector with higher self-reliance. I congratulate Director, DIITM and his team for their hard work and perseverance to workout comprehensive 'DRDO Policy and Procedures for Transfer of Technology'. I am sure these Policy and Procedures will ease the process of transfer of technology of DRDO developed Systems/ Products to industries with more efficiency.

Jai Hind

(Dr S Guruprasad)

डा मयंक द्विवेदी, एनडीसी

वैज्ञानिक 'जी'
निदेशक

उद्योग संपर्क एवं प्रौद्योगिकी प्रबंधन निदेशालय

Dr Mayank Dwivedi, ndc

Scientist 'G'
Director

Industry Interface and Technology Management



सत्यमेव जयते



एक कदम स्वच्छता की ओर

अनुसंधान तथा विकास संगठन
Defence Research & Development Organisation
भारत सरकार, रक्षा मंत्रालय
Government of India, Ministry of Defence
कमरा नं. 447, 'बी' विंग,
Room No. 447, 'B', Wing,
डी आर डी ओ भवन, नई दिल्ली-110011
DRDO Bhawan, New Delhi-110011



Message

DRDO develops critical defence Technologies and Advanced Defence Systems/ Products to cater the needs of Indian Armed Forces and other Govt agencies. The technologies developed by DRDO are of high quality and the recent surge in demand for DRDO developed technologies by industries is the testimony of the same. Thus, the transfer of DRDO technologies is giving impetus to defence industrial growth in line with the Govt policies and acts as an enabler to boost the growth of manufacturing sector.

A need was felt for devising a robust Transfer of Technology (ToT) mechanism with transparency, probity, equality and clarity on all nuances of technology, techno managerial issue, financial issues, intellectual property rights, legal issues, etc. Directorate of Industry Interface & Technology Management (DIITM) with its past experiences, feedback from various stakeholders, input from previous guidelines and SoPs has formulated Policy and Procedures for ToT. While drafting these, efforts were made to align various policies and procedures of Govt of India e.g. Industrial growth, GST and Defence Procurement Procedure-2016.

I am sure that "DRDO Policy and Procedures for ToT" will further ease and facilitate the transfer of DRDO developed technologies to the industries. This will further boost the growth of Indian industries with the availability of advanced indigenous technologies to them. Also, this will further encourage DRDO fraternity that the technologies developed by them are being absorbed by the industries leading to production and induction of Systems/ Products into the Armed Forces.

During the journey of drafting these policy and procedures, the invaluable suggestions from User, Industries, Director Generals of DRDO, Directors of DRDO, Addl Financial Advisor (R&D) & JS, IFA (R&D), and colleagues made it more comprehensive. The relentless work carried out by 'Team DIITM' to shape up these policy and procedures is exemplary and praiseworthy.

Jai Hind


(Dr Mayank Dwivedi)

Date : 09 Oct 2019

DRDO/DIITM/ToT/Policy/2019-I/1328/D(R&D)/2019
Government of India. Ministry of Defence
Deptt. Defence Research & Development
New Delhi-110011
19 Aug 2019

To,

The Chairman
Defence Research & Development Org.
Ministry of Defence,
DRDO Bhawan, New Delhi-110011

Sub: DRDO Policy for Transfer of Technology

Sir,

I am directed to refer to GOI letter No DRDO/CCR&D(SI)/DI²TM/07/TOT/2108/D(R&D) dated 2nd Sep 2015 and convey the sanction of the President of India for promulgation of "DRDO Policy for Transfer of Technology" to the industry to enable them to manufacture products for supply to Indian Armed Forces/ Para Military/ State Police etc. or for sale in appropriate commercial market within India or Abroad (copy enclosed). The existing ToT guidelines promulgated in Sep 2015 will continue to apply for procedural aspects till new procedure is promulgated.

2. This issues with the concurrence of min of Defence/ Finance (R&D) vide their Dy No. 3690 MoD (Fin/ R&D) dated 26 July 2019.

Yours Faithfully,

Harsha
19/8/19

(Harsha Rani)

(Under Secretary to the Govt of India)

Encl: as stated above

Copy signed in ink to:-

PCDA (R&D), RK Puram, New Delhi
DGADS, L-II Block, Brassey Avenue, New Delhi

Copy to:-

Addl FA(R&D), DRDO Bhawan New Delhi
All DGs
All Directors, Lab/ Estts
All IFAs (R&D)

CONTENTS

Section - I

DRDO Policy for Transfer of Technology	1
1. Introduction	3
2. Objective	4
3. Scope	4
4. Categorisation of Technologies for ToT	4
5. Legal Agreements	5
6. ToT Fees & Royalty	6
7. Technical Assessment Committee (TAC)	8
8. Handholding Support by Laboratories	8
9. ToT of High Energy Materials	9
10. ToT Certificate to Industry	9
11. Renewal/ Extension of Licenses	10
12. Extent of Government's March-in-Rights Post-License/Sale	10

Section - II

Chapter 1 DRDO Procedures for Transfer of Technology (ToT)	11
1.1 Introduction	13
1.2 Objective	15
1.3 Scope	15
1.4 Categorisation of Technologies for ToT	15
1.5 ToT Committees	16
1.6 Technology Nomination & Categorisation	17
1.7 Remittance of ToT Fees and Royalty	19
1.8 Legal Agreements	19
1.9 Issue of ToT Certificate to Industry	20
1.10 Renewal/ Extension of License	21
1.11 Intellectual Properties Rights (IPR)	21
1.12 Handholding Support	23
1.13 Industry Support & Production Coordination	23

Chapter 2 ToT Procedure for Category 'A' Technologies	24
2.1 Introduction	24
2.2 Important Terms	24
2.3 ToT Procedure steps for Category 'A' technology	24
2.4 Regulation of ToT under Category 'A'	26
2.5 ToT of Explosives	26
2.6 Applying for Cat 'A' technology ToT	27
2.7 Supply Chain	27
Chapter 3 ToT Procedure for Category 'B' Technologies	28
3.1 Introduction	28
3.2 Important Definitions and Terms	28
3.3 ToT Procedure steps for Category 'B' technology	28
3.4 Business Development activity by External Agency	31
3.5 Regulation of ToT under Category 'B'	32
Appendices	33
Appendix 'A' : Technology Nomination Form (TNF)	35
Appendix 'B' : Cost Estimation Committee (CEC)	40
Appendix 'C' : Technical Assessment Committee (TAC)	42
Appendix 'D' : Format for Seeking Expression of Interest (EOI)	44
Appendix 'E' : Confidentiality & Non-Disclosure Agreement (CNDA) (For Indian Companies)	46
Appendix 'F' : Confidentiality & Non-Disclosure Agreement (CNDA) (For Foreign Companies)	55
Appendix 'G' : Material Transfer Agreement (MTA)	64
Appendix 'H' : Licensing Agreement for Transfer of Technology (LAToT)	75
Appendix 'I' : ToT Certificate Template	87
Flow chats of ToT Procedures	88
Keywords & Abbreviations	92

Section -I

DRDO **Policy for ToT**



DRDO Policy for Transfer of Technology

1 Introduction

Defence Research and Development Organisation (DRDO) is mandated to develop defence technologies, systems and products that are required for Indian Armed Forces. DRDO develops defence technologies through projects executed by a network of laboratories. These laboratories are also engaged with academia and industries for research and development and productionisation through Development Contracts, Research Boards, Technology Development Fund (TDF) scheme, Extramural Research and Grant-in-Aid schemes. DRDO has been generating Intellectual Properties (IP), Trade Secrets, Patents and Copyrights from its R&D and Design and Development activities. Matured technologies that are ready for production are transferred to Indian Industries. DRDO provides the relevant 'know-how' in the form of Technology Transfer Documents (TTD) and handholding support. It also provides the freedom to industries to carry out value addition to the base technology in consultation with DRDO to improve performance or economic viability. This is qualitatively different from acquiring technology from foreign OEMs wherein such value addition is often prohibited. Therefore DRDO makes a significant contribution to the capability enhancement of the Indian Defence Industry through transfer of technologies.

Some of the defence technologies developed by DRDO also have utility in the civilian market. Such technologies are transferred to the industries with dual licensing rights for defence sector/Departments of GOI and commercial market. Thus, Transfer of Technology (ToT) of DRDO developed technologies to Indian Industries contributes to self-reliance in Technology, Industrial Growth and National Development.

- 1.1 'DRDO Guidelines for ToT' were issued vide Government letter No. DRDO/CCR&D(SI)/DI²TM/07/ToT/2108/D(R&D) dated 30 June 2015. A number of Standard Operating Procedures were issued thereafter by way of clarifications and for simplifying procedural aspects to facilitate industry and ease the process

of ToT. Based on the experience of administering the ToT process for the last three years, it has been felt necessary to frame a ToT policy and separate it from ToT procedures which would be in the nature of subsidiary instructions to implement the policy. The ToT procedure will be issued separately with the approval of Secretary DD (R&D) and Chairman DRDO.

- 1.2 In this Policy, the term 'Technology' has been used for any design, know-how, processes, products, system, sub-systems, components, devices etc developed whose IP right or know-how/ know-why are owned by DRDO and transfer of such technologies will be done to the Industries to enable them to manufacture and sell as per the licensing agreement entered with DRDO.

2 Objective

The objective of Transfer of Technology (ToT) policy is to disseminate DRDO developed technologies through a framework that ensures seamless transfer of technology to industry(ies) to boost the growth and capabilities of defence manufacturing sector for achieving complete self-reliance.

3 Scope

The "Policy" will cover ToT of all technologies developed by DRDO and whose IP rights or know-how/ know-why are owned by DRDO, for manufacture and supply of products to Indian Armed Forces/ Paramilitary Forces/ State Police Force etc or for sale within India or abroad.

4 Categorisation of Technologies for ToT

- 4.1 DRDO developed technologies are categorised as Category 'A' and Category 'B', as elaborated below:-
 - i. **Category 'A'**– These are the technologies for which Indian Armed Forces/ MHA/ other Govt. agencies (both central & state) are the only end users. Category 'A' technologies are military technologies and are referred to as "**MILTECH**". Export of Cat 'A' technologies is subjected to approval process of DRDO and MoD, Govt of India. **ToT to the industry is done directly by DRDO for all Category 'A' technologies.**
 - ii. **Category 'B'**– Category 'B' technologies are the **Dual use technologies** (including spin-off technologies) that are not security sensitive and

have commercial potential beyond Defence applications. The ToT of Cat 'B' technologies is given for manufacture and sale in appropriate commercial markets within India and/ or abroad. Therefore, in such cases considerable market-analysis/ research would be carried out for valuation of Technologies on 'what market can bear' concept and captured in Market Research Reports. Bidding process is adopted for ToT of Cat 'B' technologies and bids from the industries become one of the inputs for deciding the ToT Fee. This market analysis, business potential study and bidding are carried out through an expert External Agency(s) which has signed MoU with DRDO. **Thus, ToT to the industry is done with the assistance of External Agency for Category 'B' technologies.**

- 4.2 In case any technology under Cat 'A' is found to have a demand in commercial market and Industry wants license for use in commercial markets, the technology valuation will be carried out as per the provisions of Cat 'B'. Suitable clauses to this effect will be incorporated in the Licensing Agreement for Transfer of Technology (LATO T).
- 4.3 The ToT will be given on **Non-Exclusive** basis for all DRDO developed technologies. However, the number of licenses could be restricted for the following reasons:
- i. Due to practical limitations on the support that could be given by the DRDO labs for technology absorption by the industries
 - ii. To ensure high quality of manufacture
- 4.4 **Categorisation Approving Authority:** The categorisation of technologies as Cat 'A' & Cat 'B' and number of licenses will be approved by Director General (PC&SI).
- 4.5 **ToT to Foreign Entity or to an Entity with Foreign Equity:** Category 'B' are spin off technologies and are non-security sensitive technologies in nature. Only Category 'B' technologies are allowed to be given to Foreign Entities or Entities with foreign equities. The business potential has to be seen in the global perspective. However, such licenses may be granted to a foreign company with due approval of Secretary DD(R&D) and Chairman DRDO.

5 Legal Agreements

During the process of Transfer of Technology, several Agreements are to be

entered. Before exchanging any confidential information, **Confidentiality and Non-disclosure Agreement (CNDA)** is entered for 'comprehensive understanding' of the technology under transfer. Another agreement is **Material Transfer Agreement (MTA)**. Under MTA, lab can transfer relevant materials/products to the industry, on returnable basis so that it can study and assess the nature of technology to decide whether it wants to take the ToT. **Licensing Agreement for Transfer of Technology (LATOT)** is entered between DRDO and the recipient industry where all relevant clauses for financial arrangement, Licensing regions, ToT/ Royalty fee, period of validity, handholding support required, arbitration clauses, license revocation clause, etc are covered.

6 ToT Fees & Royalty

6.1 For Category 'A' technologies ToT Fees shall be estimated as follows:-

- i) In Cat 'A' cases ToT Fees will not be charged from the following:-
 - a) **Development Cum Production Partner / Production Agency:**
For Development Cum Production Partner / Production Agency (DcPP(s)/ PA(s)) selected for the system/ technology as per DcPP guidelines of DRDO vide no. DISB/DPP/27656/P-1/Para-72 dated 15 March 2019, as amended.
 - b) **DRDO Development Partner:** Industries which are engaged in development efforts of DRDO for the system/ technology through Development Contracts.
- ii) For all cases other than these mentioned at Para 6.1 (i) above, ToT Fees shall be charged in the following manner for Cat 'A' technologies.
 - a) 5% of Project Sanction Cost where projects are not closed
 - b) 5% of actual expenditure for closed projects
 - c) 5% of expenditure incurred in cases of development through buildup funds of the laboratory
 - d) Special payment terms for ToT Fee exceeding Rs 50 Lakh
 - aa) In order to facilitate industry, 10% of the ToT fee shall be payable upfront at the time of signing of LAToT and payment of balance (90% of ToT fee) shall be linked with supply order(s) in the manner as recommended by CEC.

- ab) DPSUs/ OFB/ PSUs would provide Indemnity bond and private industry(ies) would provide bank guarantee for balance ToT fees till full ToT fee is paid.

6.2 For category 'B', ToT Fee shall be charged as the highest of three values i.e. highest price among bids received from industry(ies); Market Research Report(s) of External Agencies EA(s) and Baseline price determined as per section 6.1(ii) (a) to (c) above. EA(s) will be eligible for the following:-

- i. 10% of ToT fee and applicable taxes shall be payable as Success Fee to External Agencies EA(s) after signing of LAToT with industry as per Terms & Conditions of MoU.
- ii. Market Research Expenditure limited to an amount equal to Success Fee and applicable taxes shall be payable to External Agencies EA(s) after signing of LAToT with industry as per Terms & Conditions of MoU.
- iii. EA(s) shall be responsible for collecting and certifying the correctness of quantum of Royalty fee as per the agreement for ToT between DRDO and licensee industry on yearly basis with a collection charge of 10% of Royalty fee and applicable taxes as per Terms & Conditions of MoU.

6.3 **Royalty Rates (for both Categories 'A' & 'B')**: Royalty will be charged on net sales value and will be as follows:

- Nil - For sales to the defence services and Govt Depts.
- 2% - For sales in India to other than Govt Depts. and for exports

6.4 GST (as applicable) on ToT fee and Royalty shall be payable by licensee on Reverse Charge Basis.

6.5 **Cost Estimation Committee (CEC)**: This committee would be constituted for every ToT case and recommend commercial terms, licensing region, licensing period etc for ToT.

6.6 **Approving Authority for CEC**: The CEC recommendations will be approved by following competent authorities:-

- ToT Fee upto 5 Cr- DG (PC&SI) with concurrence of Addl FA
- ToT Fee above 5 Cr- Secretary Defence (R&D) with the concurrence of Addl FA

6.7 **Regulation of ToTs given before promulgation of this policy**

ToT cases where LAToT has been signed will be regulated in the following

manner:-

- i. **The cases where industry has already paid full ToT Fee:** There will be no refund. However Royalty will be payable as per Para 6.3.
- ii. **For cases, where industry has paid partial ToT Fee:** Balance of ToT Fee payable will be regulated as per Para 6.1 to 6.2 and Royalty as per Para 6.3 above. However, there would be no refund of ToT Fee/ Royalty already paid.
- iii. **For cases, where an industry(ies) has already paid partial/ full ToT Fee for a technology, and ToT needs to be given afresh to other industry(ies):** ToT Fee charged shall be equal to highest amount of ToT Fee paid by existing ToT holders or as per Para 6.1 or 6.2, whichever is higher. This will ensure level playing field among ToT holders. However, Royalty payable will be as per Para 6.3 above.
- vi. **ToT Fees & Royalty for Informal technologies transferred in the past:** LAToT will be signed with industries at 'NIL' ToT fee for all previous technology transfer through MoUs/ document transfer, which were fructified before 31 Dec 2017 in order to formalize ToT for all such cases. In such cases 'NIL' Royalty will be charged for orders already executed or partly executed or repeat orders for which original supply order / contract was placed before 31 Dec 2017. However, Royalty will be payable as per Para 6.3 (after notification of this policy) for new supply order placed after 1st Jan 2018.

7 Technical Assessment Committee (TAC)

TAC will be conducted only for cases covered under Para 6.1(ii) and 6.2 above. This committee is responsible for assessing/ shortlisting the technically and financially capable industry (ies) which are capable of successfully absorbing the technology and realising the system/ product based on the ToT.

- 7.1 **TAC Approving Authority:** The TAC recommendations will be approved by DG (Technology Cluster).

8 Handholding Support by Laboratories

- i) Free Handholding support would be provided by the laboratory concerned for transferring the ToT, in general, as tabulated below:-

Sr. No.	Project Sanctioned Cost/ Development Cost (Rs)	Time period for Free Hand Holding
i.	Below 50 Lakh	3 weeks
ii.	50 Lakh to 5 Crore	6 weeks
iii.	Above 5 Crore	12 weeks

However, depending on the complexity of the technology, if additional free handholding support is required, the same can be recommended by the Cost Estimation Committee (CEC) on case to case basis.

- ii) For any technical assistance sought by industry beyond free hand holding period will be given by DRDO as per following rates:-
- a) Technical assistance in India
 - DRDS (Scientist): @ Rs 5000/- (Rupees Five Thousand Only) per day per person
 - Non DRDS : @ Rs 3000/- (Rupees Three Thousand Only) per day per person
 - b) For deputation abroad
DRDS/ Non-DRDS/ support staff: @ \$500 (Five Hundred US Dollar) per day per person.
 - c) Irrespective of nature of deputation, Travel expenses, boarding and lodging charges for DRDS/ non DRDS and support staff would be borne by Industry as per actuals and as permitted by Government rules.

9 ToT of High Energy Materials

ToT of high energy materials/ components/ systems (involving explosives, propellants & pyro-materials) will be carried out only to those industries which possess requisite license issued by Petroleum and Explosive Safety Organisation (PESO) and have necessary permission/ clearance from Department of Promotion of Industry and Internal Trade (DPIIT), Govt of India.

10 ToT Certificate to Industry

A certificate for Transfer of Technology (ToT) will be issued by Directorate of Industry Interface & Technology Management (DI²TM), DRDO HQrs on the

recommendation of the Director of the Lab after the technology is absorbed by the Industry.

11 Renewal/ Extension of Licenses

Renewal/ Extension of License shall be done by lab with due approval of DG(Technology Cluster) without charging any additional fee, based on industry complying all terms and conditions of LAToT, performance of the industry, sale of the product based on the technology and User's feedback (if available).

12 Extent of Government's March-in-Rights Post-License/Sale

- 12.1 The Intellectual Property Rights shall be governed as per Para 12.3 of DRDO Procurement Manual (PM-2016). However, for value addition and variants, exclusive 'Rights of use' may be granted to industry for the same.
 - 12.2 DRDO shall have the March-in Rights to use the Intellectual Property (IP) for its own use in the interest of Government of India without any restrictions, irrespective of the nature of license granted in the ToT agreement. Even, in cases, where the outright sale of IP/Joint IP, DRDO reserves the March-in-rights to use the IP by Government of India for its Sovereign usage including further improvement, National Security, Research & Development purposes etc.
- 13** In order to cater for exceptions/ deviation/ new aspect in this ToT policy, Secretary DD (R&D) and Chairman DRDO will be the Approving Authority.

Section -II

DRDO Procedures for ToT



CHAPTER 1

DRDO Procedures for Transfer of Technology (ToT)

1.1 Introduction

1.1.1 Defence Research and Development Organisation (DRDO) is a defence R&D hub, which develops defence technologies, systems and products that are required by Indian Armed Forces. The vision of DRDO is to “Make India prosperous by establishing world class science and technology base and provide our Defence Services decisive edge by equipping them with internationally competitive indigenous Defence systems and solutions”.

DRDO develops defence technologies through in-house R&D, through collaboration with academia and through development partnership with industries. The technologies, thus developed are transferred to industry for production of the defence products. Some of the defence technologies developed by DRDO have good market potential and utility for civilian market too. Such technologies are transferred to the industries with dual licensing rights to supply to Indian Armed Forces, MHA and other Govt agencies and as well as commercial market. Thus, Transfer of Technology (ToT) of DRDO developed technologies to Indian Industries contributes to Self-Reliance in Technology, Industrial Growth and National Development.

1.1.2 ‘DRDO Guidelines for ToT’ were issued in June 2015. With passage of time, interest evinced by the industries and issues faced by various stakeholders, SOPs/ amendments were issued by DIITM, DRDO HQ to aid the prevalent Guidelines for ToT to further ease and smoothen the process of ToT. This whole exercise was carried out after a wide consultation with Director Generals, Directors of DRDO alongwith Addl FA & JS and other stakeholders. Further, the templates of legal agreements e.g. Licensing Agreement for Transfer of Technology (LATOT), Confidentiality and Non-Disclosure Agreement (CNDA), Material Transfer Agreement (MTA) duly vetted by the Dept. of Legal Affairs, Ministry of Law and Justice were included in the General Procedure for ToT.

1.1.3 Based on the experience of administering the ToT process for the last three years, it was felt necessary that ToT policy should be separated it from the procedures.

ToT procedures are in the nature of subsidiary instructions to implement the policy. These procedures will deal with the dynamic scenario of technologies and related concerns by industries. The “**DRDO Policy for Transfer of Technology**” was approved by Hon’ble Raksha Mantri and promulgated by DIITM, DRDO HQrs vide letter No DRDO/DIITM/TOT/POLICY/2019-I/1328/D(R&D)/2019 date 19/08/2019. Now, Procedures to implement DRDO Policy for ToT are hereby issued with the approval of Secretary DD (R&D) and Chairman DRDO. Present procedures supersede the previous procedures specified in guidelines/SOPs as mentioned below:-

- i. DRDO Guidelines for TOT issued vide Govt letter No. DRDO/CCR&D(SI)/DI²TM/07/TOT/2108/D(R&D) dated 30 June 2015
- ii. Advisory for Cost Estimation Committee (CEC): Inclusion of Infrastructure Cost vide letter No. DRDO/CCR&D(SI)/DI²TM/ToT/2015 dated 12 Oct 2015.
- iii. SOP for Collection of ToT Fee and Royalty Wherein Production Agency has Shared Development Cost/ IPR with DRDO for Category ‘A’ Technologies vide letter No. DRDO/CCR&D(SI)/DI²TM/ToT/2017 dated 06 June 2017.
- iv. Standard Operating Procedure (SOP) for Facilitation of Transfer of Technology (ToT) of DRDO Developed Technologies by Industry Associates (IAs)/ External Agencies (EAs).
- v. Amendment in the Cost of the ToT fees for Technology Transfer vide letter No. DRDO/CCR&D(SI)/DI²TM/ToT(2)/2017 dated 06 June 2017.
- vi. SOP for Renewal/ Extension of ToT of Cat ‘A’ Technologies vide letter No. DRDO/CCR&D(SI)/DI²TM/ToT/Extn/2016 dated 08 June 2017.
- vii. Amendment – change in clause 8.3 of LAToT vide letter No. DRO/DI²TM/ToT/2017 dated 15 Dec 2017
- viii. Review of ToT Guidelines for Transfer of Technology (ToT) vide letter No. DRDO/DI²TM/ToT/2018 dated 20 April 2018.
- ix. Standard Operating Procedure (SOP) for Facilitation of Transfer of Technology (ToT) of DRDO Developed Category ‘B’ Technologies by Industry Associates (IAs)/ External Agencies (EAs) - Rev 1.0 vide letter No. DRDO/DI²TM/ToT/2018 dated 05 June 2018.

1.1.4 In this Procedure for Transfer of Technology, the term ‘Technology’ to be referred

as defined in Para 1.2 of DRDO Policy for ToT.

1.2 Objective

The objective of these procedures is to implement DRDO Policy for Transfer of Technology.

1.3 Scope

The “**Procedures for Transfer of Technology**” will cover ToT of all technologies defined and transferred to industry as per provisions of DRDO Policy for ToT.

1.4 Categorisation of Technologies for ToT

1.4.1 The categorisation of technologies will be governed by Para 4 of DRDO Policy for ToT. The two categories are as follows:-

- i) **Category ‘A’ technologies.** These technologies are military technologies for which **Indian Armed Forces, MHA, other Govt agencies (central & state)** are only end users. **Export of Cat A technologies to friendly countries is subject to permission of DRDO/ MoD and MEA.** ToT of these technologies are done directly by DRDO (refer Chapter 2 of this document for details). These technologies are developed by DRDO as:-
 - a) Through in-house development.
 - b) As Built to Print - B2P through a supply order on an Industry.
 - c) As ‘Built to Specifications - B2S wherein the substantial Intellectual input have gone in deriving the detailed specification.
- ii) **Category ‘B’ technologies.** Category B technologies are the Dual use technologies (including spin-off technologies) that are not security sensitive technologies and have large commercial potential beyond Defence Use. The ToT is given to Industries for utilising the “Technology” to manufacture the products in India/ abroad and sell products in India and/ or abroad. ToT of these technologies are done through an External Agency (refer Chapter 3 of this document for details).

1.4.2 The present Chapter will cover common procedures required for both Cat ‘A’ and Cat ‘B’ technologies.

1.5 ToT Committees

The following ToT committees are formed for cost estimation and technical assessment of industries seeking ToT:-

- i. **Cost Estimation Committee (CEC).** This committee is responsible for recommending ToT Fee and other terms & conditions of ToT. It will be applicable for cases under Para 6.1(ii) and 6.2 of DRDO Policy for ToT. The constitution of CEC and its terms of reference are given at **Appendix 'B'**. CEC can be constituted in advance (before categorisation) by concerned lab for Cat 'A' technology and CEC recommendations to be submitted along with TNF for single step combined approval of Categorisation, number of licenses, ToT Fee, and other Terms & Conditions of LAToT. Approving authority for CEC will be as per Para 6.6 of DRDO Policy for ToT.
- ii. **Technical Assessment Committee (TAC).** This committee is responsible for short listing the technically and financially capable industry which can successfully absorb the technology leading to the production of the system/ product based on the technology transferred to the industry. TAC constitution and its terms of reference are given at **Appendix 'C'**. TAC will give its recommendations for ToT cases under Para 6.1(ii) and 6.2 of DRDO Policy for ToT based on supported documents submitted by the company. If it is necessary, TAC may visit the industry premises for verification of the capability/ capacity of the company. However, if company is already working with any DRDO's Lab in the relevant/ similar field in which ToT is being given, then company's visit by TAC is not required. TAC can be constituted at the time of filling TNF by the lab and copy of its constitution may be sent along with TNF. Once TAC meeting is scheduled then TAC recommendations will be approved by DG (Technology Cluster) as Para 7.1 of DRDO policy for ToT.
- iii. CEC and TAC are not required for ToT cases under Para 6.1(i) of DRDO policy for ToT i.e. ToT To Development cum Production Partner/ Production Agency/ Development Partner (DcPP/ PA/ DP). Such ToT can be done to DcPP/ PA/ DP without hosting technology on DRDO website for EOI.

1.6 Technology Nomination & Categorisation

1.6.1 Technology Transfer process for transferring a technology to the industry is initiated when Lab identifies technology for ToT. Concerned Lab will prepare and forward the following documents to DIITM, DRDO HQrs after due recommendations of DG(Technology Cluster):-

- i. Technology Nomination Form (TNF) (as per **Appendix 'A'**)
- ii. Cost Estimation Committee (CEC) recommendations (as per **Appendix 'B'**, if applicable)
- iii. TAC constitution letter (as per **Appendix 'C'**, if applicable)
- iv. **Draft LAToT** (as per **Appendix 'H'**, if CEC is completed).

DIITM will take necessary approval of competent authority (refer Para 4.4 and 6.6)

1.6.2 CEC and TAC are not required for ToT to DcPP/ PA/ DP. All necessary Terms & Conditions required for signing of LAToT are already included in TNF and same can be proposed by Lab directly in TNF. The draft LAToT is required to be vetted by DIITM before sharing with selected industries.

1.6.3 Cat 'B' technology involves bidding process and bids received from industry seeking ToT is utilized as one of the input for finalization of ToT fee. Hence, The CEC can only be conducted after completion of bidding process. Draft LAToT document can be finalised by the Lab and can be kept ready for sharing with selected industries after CEC and TAC approval and vetting by DIITM.

1.6.4 Number of Licenses

Concerned Lab will recommend number of licenses available for ToT, based on existing policy, handholding capacity, etc. In case, there is a need to increase number of licences on a later date, after categorisation and approval of number of licenses by the competent authority, then after due recommendations of DG (Technology Cluster) Lab will forward a Statement of Case (SoC) to DIITM for approval.

For Category 'B' technology number of licenses published for bidding process will have lock in period of 3 years from the date of signing of 1st LAToT. During this lock in period no additional licenses shall be issued. Only after completion of this lock in period, revision in number of licenses can be considered and bids

will be invited from the industries for same.

1.6.5 Technology Transfer Document (TTD)

ToT documentation is essential to facilitate smooth technology transfer to the industry, therefore, Lab needs to certify that the TTD, as per the template of checklist mentioned below, is ready with the labs at the time of forwarding the Technology Nomination Form:-

Sl. No	Entity	Hardware	Software
1.	Documentation	Yes	Yes
2.	Essential details/ drawings for know how	Yes	if applicable
3.	Relevant Engineering drawings	Yes	if applicable
4.	Manufacturing drawings & Flowchart	Yes	if applicable
5.	Essential Process details	Yes	if applicable
6.	Process Parameters	Yes	if applicable
7.	QAP	Yes	Yes
8.	Bill of Materials	Yes	Yes
9.	Details of Packaging/ handling	Yes	Yes
10.	List and Quantity of important spares (if any) and frequency of replacement	Yes	if applicable
11.	Maintenance, Repair, Overhaul (MRO) details	Yes	Yes

If necessary, additional parameters may be added in the checklist by the lab as per the requirements. This checklist will be integral part of Technology Nomination Form and must be placed as an annexure to the Technology Nomination Form.

In the cases where an industry is production partner/ development partner, the Lab must have possession of all design, processes and drawing such as B2S drawings, B2P drawings, manufacturing drawings, process drawings, process flow chart, QAP, etc. including those that are created by industries.

1.6.6 Competent Authority for Categorisation

The Competent Authority for categorisation as Cat 'A' & Cat 'B' and approval of

number of licenses for ToT is DG (PC&SI) as per Para 4.4 of DRDO Policy for ToT.

- 1.6.7 In case, any technology under Cat 'A' has demand in commercial markets, the same will be processed as per Para 4.2 of DRDO Policy for ToT. In such cases, ToT will not be carried out at ToT fee lower than the reserve price / ToT fee paid under Cat 'A'. Industry holding ToT under Cat 'A', if interested to have the ToT in Cat 'B' with broad Licensing Region, will be required to pay difference of approved ToT Fees of Cat 'A' and Cat 'B'.

1.7 Remittance of ToT Fees and Royalty

ToT Fee and royalty (as applicable) will be deposited by the Licensee through e-MRO portal (<https://cmp.onlinesbi.com/MOD/home.htm>) in favour of concerned CDA/ PCDA (R&D) as intimated by laboratory under **code head 01/855/00**, (as per the directions issued by DFMM). The record of stage payment of ToT fee/ royalty will be kept by the Lab. The concerned Lab will provide the statement of stage payment of ToT Fee/ royalty received for current financial year to DFMM, DRDO HQrs for record purpose with a copy to DIITM, DRDO HQrs for information. Royalty shall be charged as per Para 6.3 of DRDO Policy for ToT. GST (as applicable) will be payable on ToT Fee and Royalty by the Licensee directly to the taxation authorities on Reverse Charge basis

1.8 Legal Agreements

- 1.8.1 During the process of Transfer of Technology, legal agreements are required to be entered before exchanging any confidential information or material to the industry seeking ToT. Confidentiality and Non-disclosure Agreement (CNDA) is entered by industry to understand the menaces for 'due-diligence' of the technology. Also, before transferring any material for better understanding of technology and its products by industry, Material Transfer Agreement (MTA) is to be entered with industry. Finally Licensing Agreement for Transfer of Technology (LATOT) is entered between DRDO and the ToT recipient industry. The details of the Legal Agreements to be entered are as follows:-
- a) **Confidentiality and Non-disclosure Agreement (CNDA).** Prior to taking a final decision to obtain a ToT from DRDO, the potential ToT recipient industries generally want to carry out a 'due-diligence' or for

comprehensive understanding about the technology. Thus, in order to safeguard the Intellectual Property of DRDO, it is essential to enter into a CNDA with the Industry as a prerequisite for permitting the Industry to carry out the 'due-diligence' for validating the claims about the technology. The CNDA to be entered with Indian and Foreign Companies are placed at **Appendix 'E'** and **Appendix 'F'**, respectively.

- b) **Material Transfer Agreement (MTA).** Often the Potential ToT recipient industries are interested in obtaining the sample of the product developed for carrying-out 'due-diligence' so that it can study and assess the nature of technology. In such a situation, in order to safe-guard the Intellectual Property of DRDO, it is essential to enter into Material Transfer Agreement (**Appendix 'G'**) as a pre-requisite for providing the material to the Industry for carrying out 'due-diligence'. **MTA will always be signed in combination with CNDA.**
- c) **Licensing Agreement for Transfer of Technology (LATOT).** This is the final agreement between DRDO and the ToT recipient industry which consists of details about the Licensing regions, ToT/ Royalty fee, period of validity, handholding support required, arbitration clauses, performance guarantee and license revocation etc. The LATOT to be entered with industries is placed at **Appendix 'H'**.

1.8.2 Templates of Legal Agreements

The Templates of CNDA (**Appendix 'E'** and **Appendix 'F'**), MTA (**Appendix 'G'**) and LAToT (**Appendix 'H'**) may be customised to suit the requirement of ToT of individual technologies with the approval of Director, DIITM, DRDO HQrs.

- 1.8.3 All legal agreements will be signed on Rs 500/- non judicial stamp papers. The cost of two sets of non-judicial stamp papers will be borne by the industry. The agreements will be proposed by the laboratories and will be duly vetted by DIITM. Three Nos. of agreements (two on non-judicial stamp papers and one copy on plain paper) for each ToT will be ink signed. One copy each signed on non-judicial stamp paper will be retained by the Lab and ToT recipient industry. The ink signed copy on plain paper will be retained at DIITM.

1.9 Issue of ToT Certificate to Industry

A Certificate for Transfer of Technology is issued by DIITM, DRDO HQrs on

recommendation of the concerned Lab after the technology has been absorbed by the industry.

1.10 Renewal/ Extension of Licenses

Renewal/ Extension of License for both Cat 'A' and Cat 'B' shall be done by the concerned Lab as per Para 11 of DRDO policy for ToT on receipt of request for extension/ renewal from concerned industry within stipulated time period as per MoU/ LATOT signed. Director, Lab may constitute a committee as follows for renewal/ extension:-

Chairman	: Scientist 'F' or above from the Lab
Members	: Representative, DG (Technology cluster)
Member	: Representative, IFA
Member Secretary	: Representative, Lab (Senior Scientist)

Terms of reference: -

- The committee will consider the entrance of MoU/ LAToT based on documents/ information.
- Nil dues from Licensee for the ToT fees.
- Payment of Royalty/ QA-QC Charges and Goods & Service Tax (as applicable) annually in time duly certified by Company's Chartered Accountant.
- Satisfactory past performance to be certified by Lab.
- User Feedback (if available).

Concerned Lab will forward renewal/ extension committee recommendations to DIITM, DRDO HQrs after due approval by DG(Technology Cluster). DIITM will issue renewal/ extension certificate to the industry (as per **Appendix 'I'**).

11 Intellectual Properties Rights

Intellectual Properties Rights (IPR) will be governed by Para 12 of DRDO policy for ToT. The IPR for technologies under ToT are further briefed below:-

- ToT of Technology developed through development contract.**
Design, Development and Fabrication contracts must adhere to Para

12.3 (IPR) of Procurement Manual 2016, as amended. Extracts of same are as follows:-

- **The IPR developed under a development contract, funded by DRDO, will be the property of Govt. of India.** In such cases, the firm will provide technical know-how/ design data for production of the item to the designated production agency nominated by DRDO. It will, however, be permitted to receive, upon demand, a royalty free license to use these intellectual properties for its own purposes, which specifically excludes sale or licensing to any third party.
 - **Joint IP Rights:** In case of design, development and fabrication of capital equipment of general nature where no design and development input is provided and only broad specifications are given by DRDO Lab/ Estt, and/ or the developer is sharing the developmental cost, joint IP rights would be considered.
 - Even where joint IP rights are accepted, DRDO/ MoD/ Govt of india reserves the right to develop an alternate source. In such cases it would be mandatory for the developer to transfer the know-how of the product to the alternate agency developed by DRDO. However, in such cases development partner would be entitled to receive license (ToT) fee/ royalty as per mutually agreed terms.
- b) **Production Agency (PA) has a joint IPR with DRDO.** In such cases, there will be an agreement of IPR sharing either reflected in LATOT itself or separately, either on overall percentage sharing basis or subsystem basis. However, DRDO reserves right to use complete IPR in any of the following scenario and ToT would be given to other industries as per the DRDO policy for ToT:-
- i. Price is beyond reasonable
 - ii. Quality of manufactured product is not of desired quality
 - iii. Unable to supply the required quantity
- However, in such cases, development partner would be entitled to receive requisite royalty as per mutually agreed terms.
- c) In case, IPR of certain subsystem belongs to the PA wherein DRDO has not funded in creation of IP, there should be an agreed pricing of these subsystems during the development phase. In such cases, PA

will supply the subsystem throughout the life cycle of the system under development. This aspect has to appear in development contract.

1.12 Handholding Support

- a) Handholding support to the industries will be provided as per Para 8 of DRDO policy for ToT.
- b) Lab will provide Technology Transfer Document (TTD) to the ToT holder in order to produce quality products and address production related issues. Brief check list of TTD is given in Para 1.6.5.
- c) Support & Service Manual having details of maintenance schedules, spares, troubleshooting etc duly vetted by Lab shall be provided by the ToT holder industry to User

1.13 Industry Support & Production Coordination

- a) TAC will consider EOI for ToT received from startups. The startup needs to be approved by DPIIT, Govt of India. Their project report, business plan etc. will also be submitted for evaluation. Accordingly, TAC will submit its recommendations for ToT to such industries.
- b) The ToT Holder will provide the production and necessary maintenance, repair and life cycle support for the system to the user. Two tier mechanism to provide requisite support to User is as follows:-
 - i. Lab level support will be given by team nominated by the Lab Director.
 - ii. DRDO HQrs level support will be given by DIITM by interaction with industries to address productionisation issues.

1.14 Whenever only **one Industry** is nominated to take ToT, such cases shall not be treated as '**Single Vendor Case**' and shall not be rejected for both Capital & Revenue Procurements by MoD/ MHA/ Govt Agencies (both Central & State). Hence, these cases to be processed for procurement by the procurement agencies.

1.15 Attempts have been made to cover all possible procedure for ToT. However, if the need arises in future which doesn't get covered through this procedures, such cases would be dealt separately on case to case basis with approval of Secretary, Department of Defence (R&D) and Chairman DRDO.

CHAPTER 2

ToT Procedure for Category 'A' Technologies

2.1 Introduction

This chapter covers the Procedure for ToT of military technologies, categorised as Category 'A' in Para 4.1(i) of DRDO Policy for ToT. These technologies are transferred to industry on non-exclusive basis to manufacture in India and for sale to Indian Armed Forces/ MHA/ other Govt Agencies (Central & State) only. The Intellectual Property (IP)/ Know-How & Know-Why of these technologies are held with DRDO. The technology development is carried out either by in house or through development contract with industry.

2.2 Important Terms

Development cum Production Partner (DCPP)/ Production Agency (PA). DCPP/ PA shall be selected by DRDO Lab as per the prevailing DcPP guidelines promulgated by DISB, DRDO HQrs vide no. DISB/DPP/27656/P-1/Para-72 dated 15 March 2019, as amended.

Development Partner (DP). Industries which are engaged in development efforts of DRDO for the system/ technology through Contracts as per DRDO Procurement Manual, as amended.

2.3 ToT Procedure steps for Cat 'A' Technologies

The following procedure will be followed for ToT of Cat 'A' technologies on **non-exclusive** basis to the industries:-

a) Forwarding of Essential ToT Documents to DIITM

Concerned Lab will prepare and compile all required documents for Technology Nomination & Categorisation, number of licenses and CEC recommendations and forward them to DIITM, DRDO HQrs for approval of competent authority as mentioned at Para 1.6 of Chapter 1.

b) ToT to DcPP/ PA/ DP

ToT to DcPP/ PA/ PA will be done directly without hosting technologies

on DRDO website for EOI from industries by DIITM. CEC and TAC of these industries are not required. The following procedure/ guidelines will be followed for selection as defined in Para 2.2 above:-

- DcPP guidelines of DRDO promulgated by DISB, DRDO HQrs, as amended will be followed for selection of DcPP/ PA.
- Development Contract/ Partner (DP) industries which are engaged in development efforts of DRDO for the system/ technology development and selected as per DRDO Procurement Manual, as amended

c) By Seeking EOI from Interested industries

For cases other than 2.3(b) above, technology will be published on DRDO website after approval of Director, DIITM for information in the public domain and for seeking EOI from interested industries as per **Appendix 'D'**.

d) Due Diligence by Industry Seeking ToT

The Industries approved by competent authority are allowed to carry out due diligence of technologies for validation of claims made by DRDO regarding the technology. However, the industries are required to sign a Confidentiality and Non-Disclosure Agreement (CNDA) **Appendix 'E'** before they could carry out due diligence. For carrying out due-diligence, the industries may visit the Lab also. In case the industry is interested in getting a sample of the material/product for carrying out due-diligence then the industry is required to sign a Material Transfer Agreement (MTA) (**Appendix 'G'**).

e) Technical Assessment of industry seeking ToT

TAC will assess industries who have responded to EOI/ shown interest in seeking ToT. The time period for receiving EOI from industries will be 21 days from the date of publishing technology on DRDO website. TAC will assess industries after this time period. TAC will give its recommendations for selected industries as per terms of reference in **Appendix 'C'**. TAC will be carried out as mentioned in Para 1.5(ii) of Chapter 1.

- f)** The first ToT would normally be given to the industry associated during development on priority (TAC is not required) on approved ToT Fee as applicable and other terms and conditions.

- g) **Signing of Licensing Agreement for ToT.** LAToT (as per template in **Appendix 'H'**) will be vetted by DIITM, DRDO HQrs before sharing it with selected industry. LAToT will be signed by DRDO and industries after receipt of ToT Fee (if applicable).
- h) **Handholding support and Handing over Technology Transfer Document (TTD).** After signing of LAToT Handholding support and TTD will be provided to the licensee as per the Para 1.12 of Chapter 1 after signing of LAToT. Concerned Lab will hand over TTD to the licensee industry. A template of TTD is given at Para 1.6.5 of Chapter 1.
- i) **Issue of ToT certificate to Industry.** ToT certificate (**Appendix 'I'**) is issued to the licensee by DIITM, DRDO HQrs on the recommendation of Director of the Concerned Lab after the technology has been absorbed by the licensee industry.

2.4 Regulation of ToT under Category 'A'

ToT of Cat 'A' technologies where LAToT has been signed or informal ToT done in past, will be regulated as per the provisions of Para 6.7 of DRDO Policy for ToT. For formalization of informal Technology transferred in the past, The following clause will be added in LAToT and it will replace clause 8.1 and sub clauses 8.1.1 to 8.1.3 :-

The technology transfer of this technology was effected in _____ (year) by way of MOU/ transfer of document. The present LAToT is to formalise the same. The 'NIL' ToT fee is chargeable for this technology. Also, 'NIL' royalty will be chargeable for the orders which are already executed or currently under execution or repeat orders placed before 31st Dec 2017. However, royalty @ 0% will be chargeable for supply to Services/ MHA/ other Govt of India agencies and 2% for export (subjected to due approval of DRDO/ MoD), respectively for new supply order after 1st Jan 2018. 'Nil' Technology Transfer Fees payable at the time of signing of Agreement for entering into Licensing Agreement for Transfer of Technology.

2.5 ToT of Explosives

ToT of high energy materials/ components/ systems (involving explosives/ propellants/ Pyro-materials/ etc) will be carried out to the industries complying

mandatory requirement mentioned in Para 9 of DRDO Policy for ToT along with other essential requirements of ToT.

2.6 Applying for Cat 'A' technology ToT

Industries seeking ToT of DRDO developed Cat 'A' technologies listed at DRDO website can submit their Expression of Interest (EoI) for ToT to Director, DIITM, DRDO HQrs or Director of concerned Lab with list of documents as per **Appendix 'D'**.

2.7 Supply Chain

In major systems/ platforms, more than one industry may be involved in the production of the various subsystems. In the cases where ToT of the DRDO developed subsystem(s) is held with the industry, such subsystem needs to be sourced from ToT holder only. In general, the supply chain established by DRDO should not be disturbed by the Industry which is Lead System Integrater or ToT holder for the complete system. The supply chain developed by DRDO prior to ToT shall be given preference by the licensee industry for components/ subsystems. However, licensee industry may develop additional vendors for supply chain in case supply chain vendor(s) developed by DRDO is not able to match quality/ quantity/ schedules etc, and only after the necessary clearance from concerned DRDO Lab.



CHAPTER 3

ToT Procedure for Category 'B' Technologies

3.1 Introduction

This chapter covers the procedure for Transfer of Technology of **Category 'B'** technologies on **non-exclusive** basis to industry. The Transfer of Technology for this category would normally be carried out through an External Agency. The ToT fee is decided on the market potential of the technology and "What Market can bear" concept. Thus bidding process is adopted for ToT of Cat 'B' technologies. Wherein the interested industries submit their bid for the ToT Fee and it becomes one of the inputs for deciding the ToT Fee.

3.2 Important Definitions and Terms

- i. **Dual Use/ Spin off Technology (Cat 'B')**. These are the technologies which have potential beyond military application and can be used in **Civilian Market for the benefit of society at large**.
- ii. **External Agencies (EA)**. The External Agencies are the Industry Chambers (IC) associated with DRDO for commercialization of DRDO developed dual use technologies.
- iii. **Bid**. It is the commercial offer submitted by the industry seeking ToT of DRDO developed technology through external agency.
- iv. **Market Research Reports**. These are the valuation of the technology carried out by EA of a DRDO developed Cat 'B' Technology.

3.3 ToT Procedure steps for Cat 'B' Technologies

The following Procedure will be followed for facilitation of Transfer of Technology (ToT) of DRDO Developed Technologies through EA:-

- a) **Technology Nomination and Categorisation** will be carried out as per the procedures mentioned at Para 1.6 of chapter 1.
- b) **Solicitation of Bids from Industries**. A list of all the technologies

available for transfer of technology to industries, under Category 'B' with number of available licenses, will be displayed on the DRDO website and link will be provided on the web sites of EAs. Necessary information **(in addition to available in public domain)** of these technologies will be shared by the concerned Lab with EAs. Bidding period for each technology shall be 45 days for submission by the interested industry through any one of the EAs. If no bids are received after completion of bidding time, in that case bidding date may be extended with the approval of Director, DIITM.

For this purpose DRDO has entered into MoUs with the external agencies (EAs) i.e. the Industry Chambers. Presently, National Research Development Corporation (NRDC), Confederation of Indian Industry (CII), PHD Chamber of Commerce and Industry (PHDCCI), The Associated Chambers of Commerce and Industry of India (ASSOCHAM) have entered into a MoU with DRDO. The MoU will be renewed time to time with the approval of Secretary DD (R&D) and Chairman DRDO.

- b) **Signing of legal Agreements.** The CNDA and MTA may be signed for due diligence of industries.
- c) **Submission of Commercial bids and Market Research Report** by External Agency.
 - i. Based on the above information, EA(s) will carry out the Market Research to work out the valuation of the technology and submit market research report in a sealed cover indicating suggested ToT fee, validity period of ToT fee, handholding requirements that can be offered etc, along with bids submitted to DRDO.
 - ii. Industries interested in ToT of DRDO technology should interact with EAs and may submit their bids for the ToT (on **non-exclusive** ToT licence basis only). For a particular ToT, an industry can submit only single bid for the ToT in sealed cover, through only one of the EAs.
 - iii. EAs may seek clarification on various aspect of technology from technology developing lab, if required and help industries in working out their bid for ToT fee.
 - iv. EAs will submit these bids (proposed ToT fee by industries), without

opening them along with their market research report to DRDO.

- i. For a particular ToT, if no Industry is participating through an EA, then the Market Research of that EA for that ToT case will not be considered for finalizing ToT Fee. Also, No fee towards Market Research will be payable.
- e) **Cost Estimation Committee (CEC).** A “Cost Estimation Committee” (CEC) will finalize the ToT fee based on project cost or development cost, inter-alia, Market Research Report(s) of EAs and sealed bids on proposed ToT Fee from interested industries, as per Terms of Reference for the CEC in **Appendix ‘B’**. CEC will forward its recommendations duly concurred by DG (Technology Cluster) to DIITM for approval. Competent authority for approval will be as per Para 6.6 of DRDO Policy for ToT.
- f) The approved ToT fee and other terms and conditions /details will be shared with EA(s). Based on number of licenses available, ToT to the industries will be offered on approved ToT Fee and T&C in a preference based on highest quoted bids price in descending order (H1>H2>H3Hn, H1 is highest bid price and Hn is lowest bid price). If a selected industry withdraws its interest, in that case ToT will be offered to next industry in preferential order based on bids received.
- g) **Technical Assessment Committee (TAC).** Technical assessment of willing Industries shall be carried by TAC as defined in Para 1.5(ii) of Chapter 1, before signing of LAToT by DRDO.
- h) **Signing of Licensing agreement.** EAs will facilitate in signing of License of Agreement for Transfer of Technology (LATOT) between DRDO and industry(ies). In case, some licenses are left out after complete bidding cycle, in all such cases technology will be continue to display on DRDO website for ToT till licenses are available for ToT. LAToT will be prepared as per **Appendix ‘H’**.
- i) **Post signing of LATOT.** EAs will also be responsible for certifying the correctness of quantum of the royalty and guiding industry for the remittance of Royalty as per provisions in LATOT.
- j) **Success Fee and Market Research Fee** will be paid to EAs for each successful ToT (as per provisions of MoU signed between EA and DRDO). If no Industry is participating through an EA which has carried

out Market Research (MR), then MR Fee of that EA will not be payable to EA.

- k) **ToT to Foreign Entity or to an Entity with Foreign Equity.** Category 'B' technologies are spin off technologies and are non-security sensitive technologies in nature. The business potential has to be seen in the global perspective. All cases will be approved as per provisions under Para 4.5 of DRDO Policy for ToT.
- l) **Handholding Support.** Handholding support will be provided as per the provisions mentioned Para 8 of DRDO Policy for ToT.
- m) **ToT Certificate to Industry.** A certificate for Transfer of Technology is issued by Directorate of Industry Interface & Technology Management (DIITM), DRDO HQrs on the recommendation of the Director of the Lab after the technology is absorbed by the Industry. The template of ToT Certificate is placed at **Appendix 'I'**.

3.4 Business Development activity by External Agency

The External Agency will carry out the Business Development activity as follows:-

- i. External Agency may send letters to the prospective industries for EOI to be submitted by a specific date.
- ii. Facilitate in signing of CNDA & MTA (**Appendix 'E', 'F' & 'G'**) between interested industries and DRDO (if required).
- iii. Facilitate the prospective industries to visit the Labs to assess and do technical due-diligence as necessary for evaluating the technology.
- iv. The prospective industries are then asked to submit their confirmation if they would like to move ahead for the next level and submit their bid for selected technology.
- v. As required by the industries, EAs may facilitate shipment of material/product/technology samples for evaluation/testing and trials/certifications by the industries/ organisations, etc. within India. EAs may claim from DRDO the actual costs/charges incurred towards shipment/certification of samples/materials.

3.5 Regulation of ToT under Category 'B'

- 3.5.1 **Old Technologies.** All technologies that have crossed 10 years or more (i.e. from the date of signing of 1st LAToT with industry) are considered as 'old technologies'. These old technologies will be treated as fresh ToT for the purpose of dispensing any additional licenses to the industry other than existing ToT holders. ToT will be decided as per prevailing DRDO Policy for ToT. The ToT Fees for additional Licenses will be decided by CEC afresh. The emergent ToT fee from the process may vary either way from previous ToT Fee as decided by CEC.
- 3.5.2 **Recent Technologies.** All technologies that have passed less than 10 years (i.e. from the date of signing of 1st LAToT with industry) are considered as 'Recent technologies'. In the cases where, the ToT fees have been fixed and licenses are available, these technologies will be published on DRDO website within the validity of ToT License Fee. ToT of all such technologies will be given to industry without resorting to bidding process and market research by EAs. These ToT will be given to industry on "First Come First Serve basis", by DRDO.

APPENDICES



Appendix 'A'

Technology Nomination Form (TNF)

Technology Number

--	--	--	--	--	--	--	--	--	--

(To be filled by DI²TM, DRDO HQrs)

1. Name of Technology:
2. Name of DRDO Lab/Estt:
3. Data for Categorisation and Expression of Interest (EOI) of nominated technology for ToT on **non-exclusive basis**

Category of the Technology (Please specify A or B
(Refer Para 1.4 of Chapter 1)

- a) If Category 'A', Is ToT to be given to DcPP/PA/DP? (Yes/ No)
- i) If answer is 'Yes', please specify following:- (Yes/ No)
- ✓ Is DcPP/ PA/ DP selection process completed?
 - Approval letter for DcPP/ PA/ DP enclosed (Yes/ No)
 - ✓ Proposed Terms & Conditions for ToT (Yes/ No)
 - License Period (in years)
 - Licensing Region
 - Free Hand Holding Support (weeks)
 - Product Launch Period
 - Special/ Additional conditions (if any)
 - ii) If answer is 'no', CEC minutes enclosed with TNF? (Yes/ No)
 - iii) Draft Copy of LAToT enclosed and soft copy in MS word format forwarded through DRONA diitm@hqr.hqrdom (Yes/ No)
- b) Number of licenses proposed for ToT to industries other than DcPP/ PA/ DP ____ number
- c) Publishing technology on DRDO website for information in public domain for seeking EOI for ToT to industries other than DcPP/ PA/ DP (Yes/ No)

- If answer is 'Yes' one page approved write up (Yes/ No) on technology to be hosted enclosed and soft copy of same forwarded via DRONA email diitm@hqr.hqrdom (Yes/ No)
 - If answer is 'No', A statement of case with due justification enclosed with TNF
- d) TTD is available with lab for ToT as per checklist (Yes/ No) (refer Para 1.6.5 (b) of chapter 1)
- If answer is 'no' (TTD is ready with lab), time ____ weeks period (in weeks) required for completion
- f) TAC constitution Letter enclosed with TNF (if (Yes/ No) applicable)

Section 1: Contact Information

4. Core Team Members (Name & Rank):

5. Support Team Members (Name & Rank):

In any case Core Team Members can't be more than support team members

6. Key Inventor Contact (Scientist Responsible):

First name:

Last name:

Title:

Telephone:

Mobile Phone:

Email:

Fax:

Mailing Address:

7. Administrative Contact (POC):

First name:

Last name:

Title:

Telephone:

Mobile:

Phone:

Email:

Fax:

Mailing Address:

8. Approving Official (Lab Director):

First name:

Last name:

Title:

Telephone:

Mobile Phone:

Email:

Fax:

Mailing Address:

Section 2: Technical Description

9. Please explain (in simple terms) the problem / situation for that this innovation was created and how this innovation addresses or solves the problem (Please limit your problem description to 150 words or less.)
10. In simple terms about technology, one page write-up for hosting on DRDO website
11. Statement that there is no IPR violation of anybody/ any other agency

Section 3: Project details

12. Type of Project & Project Sanction cost/ Development cost

Section 4: Intellectual Property Status

13. Has this innovation been granted any Indian patents? (Please \surd the correct choice)
 - No Indian patents have been granted
 - An Indian patent is pending
 - An Indian patent has been granted
 - Patent has not been filed
14. Please list the Indian patents that have been granted to this innovation:

15. Has this innovation been granted any patents by other nations or patent granting agencies?

- No other non-Indian patents have been granted
- A non-Indian patent is pending
- A non-Indian patent has been granted
- Patent has not been filed

16. Please list the patents that have been granted by other nations or patent granting agencies:

Note: Please attach a copy of the abstract pages of any applicable patents that were mentioned in this section.

Section 5: Additional Information

17. What is the current status of this innovation?

- Concept only
- Successful laboratory model
- Full scale prototype
- Infield testing or trials
- Fully implemented / in use

18. Is this innovation subject to any sensitive classification? Yes/ No

19. Has DRDO licensed this innovation to be used in any commercial activity or product? Yes/ No

If you answered Yes to please elaborate on the nature of the license granted by DRDO for this commercial purpose. (exclusive/ non-exclusive, number of licenses, market penetration, Indian/foreign licenses etc.)

Section 6: Additional Information

20. Necessary documents, diagrams and additional information may be attached that will aid in describing this innovation. Do not attach any confidential information.

21. Name of Development Cum Production Partner (DCPP) / Production Agency

(PA)/Development Partner (DP) industry(ies)

22. IPR Status of the Product/ technology realised under contract with DCP/ PA/ DP
23. Value of contract with DCP/ PA/DP
24. Projected Requirement of Services for next 5 years (if available)

Section 7: Certifications

It is certified that the above information about the Technology Nominated for Transfer of Technology is correct and no Security Sensitive/ Confidential and Proprietary information has been provided.

Innovator's Signature

POC Signature

Lab Director

Signature :

Name :

Designation : Director, Lab

Date



Cost Estimation Committee (CEC)

The CEC would be constituted by the DG (Technology Cluster). The constitution of committee and its terms of references are given below:-

Chairman CEC	: Lab Director
Members	: Representative, Integrated Finance : Representative, DI ² TM : Representative, DG (Technology Cluster)
Member Secretary	: Representative, Lab (Senior Scientist)

Approving Authority: As per Para 6.6 of DRDO policy for ToT

CEC will submit its report to DIITM after due recommendations from DG (Technology Cluster) for necessary approval by the Competent Authority. Mode of Licensing is **non-exclusive** only as per Para 4.3 of DRDO Policy for ToT. The Terms of reference of CEC are as follows:-

- a) ToT Fee and Royalty to be estimated as per Para 6 of DRDO Policy for ToT.
- b) Any charges in addition to the sanctioned cost to be added for the estimation of the ToT fee shall be decided by the CEC based on deliberations and justifications.
- c) In cases where in the project activities are not yet completed, the ToT can be given to the extent of successful technical trial of the technology have been concluded. Hence technical trial is essential milestone for giving the ToT.
- d) Priority in ToT to be given to the Industry participated during development.
- e) Any special condition to be incorporated like Stage/ milestone payment, Product Launch Period, period of validity of License, Licensing regions, terms & conditions for renewal of license etc.
- f) Extra period of free man-days for providing handholding support with due justification.
- g) Validity of license will be for 10 years in general. CEC may decide on validity of license period.

- h) ToT involving software technology, the software will be given to licensee in approved format without transferring source code. ToT holder can do customization of software as per user requirement such that there would be no need to access/ modify source code. Based on user requirement, any necessary modification or enhancement in software feature/ interface etc. as requested by ToT holder may be carried out on chargeable basis by the Lab after due approval of competent authority. Such modification essentially requires access to the software code. IPR to remain with DRDO.
- i) In case of ToT of a subsystem/ component/ technology developed as part of the development project, CEC would apportion the Sanctioned Project Cost that could be assigned to the particular subsystem/ component/ technology.
- j) For all the closed projects, Administrative Closure Report will be considered for the project cost for calculation of ToT Fee of main product/ technology, subsystem, components, etc.
- k) The CEC to prepare and submit the report to Director, DI²TM, DRDO HQrs to process the case for CFA approval within 30 days of the constitution of the CEC.
- l) In cases where CEC needs time beyond 30 days, approval of DG cluster to be taken.

Appendix 'C'

Technical Assessment Committee (TAC)

The TAC would be constituted by the Lab Director with the approval of DG(Tech Cluster). The constitution of committee and its terms of references are given below:-

Chairman TAC	: Scientist 'F' or above from the Lab
Members	: Representative, DI ² TM : Project Director/ Project Leader : Representative, DG(Technology cluster)
Member Secretary	: Representative, Lab (Senior Scientist project team)

Approving Authority: DG(Technology Cluster)

After approval TAC will forward a copy of approved TAC report to DI²TM for further processing of ToT. Terms of reference of TAC are as follows:-

- TAC shall be responsible for shortlisting technically competent and financially competent industries which could successfully absorb the technology leading to productionisation of the products based on the technology while maintaining the requisite quality standards. TAC will not rank the industries.
- TAC will verify the claims made by the Industry as per the information submitted in their Expression of Interest (EOI) (Appendix 'D') and shortlist the Industry meeting the requirement for absorption of the technology.
- TAC will consider EOI received from start-ups/ emerging industries for both Cat 'A' & Cat 'B' technologies based on project report, business plan etc. accordingly, TAC may submit its recommendations for ToT to such industries.
- TAC would seek additional documents from industry and/or may visit the industries, if required, to verify their capacity and capability to undertake production based on DRDO technology.
- TAC may avoid visiting the industries which have executed DRDO supply order in the similar technology domain in the recent past/ industries which have been development partner in any DRDO project of similar

domain area etc.

- f) TAC will prepare and submit its report to DG (Technology Cluster) for approval within 30 days after is hosting of technology on DRDO website and completion of waiting period/ bidding cycle. Further, Cat 'A' technology requires minimum waiting period of 21 days. Cat 'B' technology requires minimum bidding cycle period of 45 days.
- g) In cases where TAC needs time beyond 30 days to prepare the report, then Chairman TAC may seek extension of 15 days from the Director of the Lab. Beyond this period, any extension if required, would be with the approval DG (Technology Cluster).



Format for Seeking Expression of Interest (EOI)

Expression of Interest (EOI) will be sought through notification on DRDO website or (if required) in leading National dailies. In EOI advertisement, DRDO will publish one page write up on the technology along with a photograph of the product for the understanding of the industry. Following information will generally be sought through the EOI:

- (a) Memorandum and Articles of Association (Should be incorporated as per Indian Companies Act, as amended time to time)
- (b) Certificates of registration as a manufacturing unit, if any.
- (c) Audited Balance Sheet for the preceding three years.
- (d) Income Tax returns for the preceding three year period
- (e) Details of shareholding/ownership pattern especially foreign partners/ shareholders, foreign employees, directors, etc. The company must adhere to the prevailing Govt of India policies and regulations on Foreign Direct Investment (FDI)/DIPP norms as applicable.
- (f) Annual budget for R&D during last three years.
- (g) Numbers and details of IPR or patents, etc., held by the company.
- (h) Number of technically or professionally qualified personnel.
- (i) Record of past performance (e.g., Supply orders executed against of Ministry of Defence orders, Public Sectors and Paramilitary Forces, if any).
- (j) Availability of adequate infrastructure (List of machines and their production capacities) and technical expertise.
- (k) List of Testing and Support equipments
- (l) ISO/ ISI certification or any other certification
- (m) Relevant clearances form the authorities/ ministries (if any)
- (n) Capacity and capability to undertake developmental work and to accept attendant financial and commercial risks.
- (o) Capacity/capability to market the product through the marketing network, sales and service network, reliability to maintain confidentiality.

- (p) PESO and DPIIT license for explosive handling if ToT is for high energy Material, explosives, propellants, and component/ system dealing with it etc.
- (q) Under taking form company seeking ToT that none of its Directors, Independent Directors, non-executive Directors, Key management personnel are involved in any corrupt practices, unfair means and illegal activities.



Confidentiality and Non-Disclosure Agreement (CNDA)

(For Indian Companies)

Between

LAB Name, City

Defence Research Development Organisation (DRDO)

Ministry of Defence, Government of India

And

Company Name, City

This Confidentiality and Non-Disclosure Agreement is entered into on the
Day ofMonth in the Year(Two Thousand)

Between

The President of India, acting through and represented by the Director, Lab Name, City a constituent laboratory under the Defence Research and Development Organisation, Ministry of Defence, Government of India and the Director, Industry Interface and Technology Management (DI²TM) at DRDO HQ, DRDO Bhawan, New Delhi – 110011 (Hereinafter referred to as “DRDO”, which expression shall whenever the context so requires or admits, mean and include its successors in office and/assigns).

And

“**Name of the Company**”, a company formed in accordance with the laws of India and having their registered office at Company Address (Hereinafter referred to as **Company Name**, which expression shall whenever the context so requires or admits, mean and include their heirs/ successors, respective executors, administrators, legal representatives, and/or permitted assigns).

“DRDO” and “**Company Name**” are individually referred to as “**Party**” and jointly as “Parties”.

WHEREAS



- (A) DRDO has developed a technology called - **“Technology Name”**,
Technology Description.....
.....
.....

(Hereinafter referred to as “Technology” for which the present agreement of Confidentiality and Non-disclosure is executed)

- (B) The Parties intend to provide each other with certain information pertaining to their operations and the Parties are in the process of discussing certain matters with a view to concluding a business agreement (**“the potential agreement”**), which discussions have required and will require the disclosure to one another of information of a proprietary, secret and confidential nature. Whether or not the Parties conclude the potential agreement will not affect the validity of this Agreement.
- (C) The Parties wish to record the terms and conditions upon which they shall disclose the Confidential Information to each other, which terms and conditions shall constitute a binding and enforceable Agreement between the Parties and their agents.

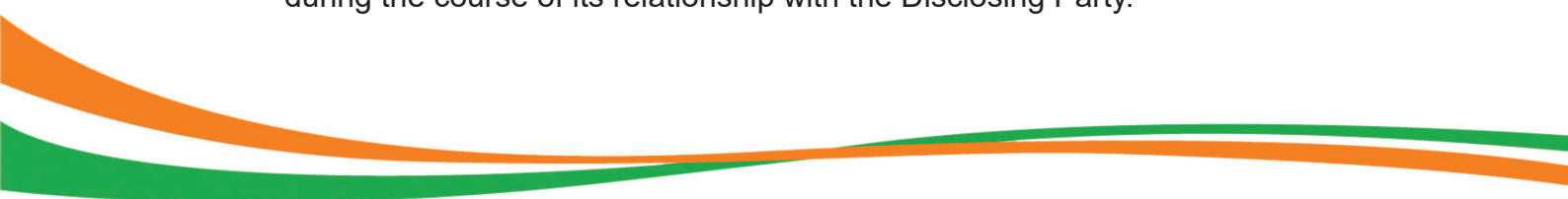
NOW THEREFORE in consideration of the foregoing and the respective covenants and Agreements set forth in this Agreement, the sufficiency and adequacy of which is hereby acknowledged, and intending to legally bound hereby, the Parties agree as follows:

1. Disclosing and Receiving Parties

The Party disclosing the Confidential Information shall be known as the **“Disclosing Party”** and the Party receiving the Confidential Information shall be known as the **“Receiving Party”**.

2. The Confidential Information

“Confidential Information” shall, for the purpose of this Agreement include, without limitation, any technical, commercial, financial information, know-how, trade secrets, processes, machinery, designs, drawings, technical specifications, and data in whatever form, disclosed to or assessed by the Receiving Party during the course of its relationship with the Disclosing Party.




3. Disclosure of Confidential Information

- 3.1 The Disclosing Party shall disclose the Confidential Information to the Receiving Party only to the extent deemed necessary or desirable by the Disclosing Party in its discretion.
- 3.2 The Receiving Party acknowledges that the Confidential Information is a valuable, special and unique asset proprietary to the Disclosing Party.
- 3.3 The Receiving Party agrees that it will not, during or after the course of their relationship and/or the term of this Agreement as described in Clause 9, disclose the Confidential Information to any third Party for any reason or purpose whatsoever without the prior written consent of the Disclosing Party, save in accordance with the provisions of this Agreement. For avoidance of doubt, in this Agreement “Third Party” means any Party other than the Receiving and Disclosing Parties (their holding and subsidiary companies or agents who shall be deemed to be bound by the provisions of this Agreement).
- 3.4 Notwithstanding anything to the contrary contained in this Agreement, the Parties agree that the Confidential Information may be disclosed by the Receiving Party to its professional advisors on a need-to-know basis; provided that the Receiving Party takes all the necessary steps to ensure that such professional advisors agree to abide by the terms of this Agreement to prevent the unauthorised disclosure of the Confidential Information to Third Parties. For purposes of this clause, the Receiving Party’s professional advisers and employees, directors or managers shall be deemed to be acting, in the event of a breach, as the Receiving Party’s duly authorised agents.
- 3.5 The Receiving Party agrees not to utilise, exploit or in any other manner whatsoever use the Confidential Information disclosed pursuant to the provisions of this Agreement for any purpose whatsoever without the prior written consent of the other/the Disclosing Party.

4. Title

All Confidential Information disclosed by the Disclosing Party to the Receiving Party is acknowledged by the Receiving Party:

- 4.1 To be proprietary to the Disclosing Party; and
 - 4.2 Not to confer any rights on the Receiving Party of whatever nature in the Confidential Information.
- 

5. Restrictions on disclosure and use of the Confidential Information

The Receiving Party undertakes not to use the Confidential Information for any purpose other than:

- 5.1 That for which it is disclosed as specifically directed by the Disclosing Party; and
- 5.2 In accordance with the provisions of this Agreement.

6. Standard of Care

Both Parties agree that they shall protect the Confidential Information disclosed pursuant to the provisions of this Agreement using the same standard of care that each Party applies to safeguard its own proprietary, secret or Confidential Information and that the Confidential Information shall be stored and handled in such a way as to prevent any unauthorised disclosure thereof.

7. Return of material containing or pertaining to the Confidential Information

- 7.1 Either Party may, at any time, request the other to return any material and/or data in whatever form containing, pertaining to or relating to Confidential Information disclosed pursuant to the terms of this Agreement and may, in addition request the other to furnish a written statement to the effect that, upon such return, the Receiving Party has not retained in its possession, or under its control, either directly or indirectly, any such material and/or data.
- 7.2 As an alternative to the return of the material and/or contemplated in Clause 7.1 above, the Receiving Party shall, at the instance of the Disclosing Party, destroy such material and/or and furnish the Disclosing Party with a written statement to the effect that all such material has been destroyed.
- 7.3 The Receiving Party shall comply with any request by the Disclosing Party in terms of this clause, within 7 (seven) days of receipt of any such request.

8. Excluded Confidential Information

The obligations of the Receiving Party pursuant to the provisions of this Agreement shall not apply to any Confidential Information that:

- 8.1 Is known to, or in the possession of the Receiving Party prior to disclosure thereof by the Disclosing Party
- 8.2 Is or has become publicly known, otherwise than as a result of a breach of this Agreement by the Receiving Party
- 8.3 Is developed independently of the Disclosing Party by the Receiving Party in circumstances that do not amount to a breach of the provisions of this Agreement
- 8.4 Is disclosed by the Receiving Party to satisfy an order of a court of competent jurisdiction or to comply with the provisions of any law or regulation in force from time to time; provided that in these circumstances, the Receiving Party shall advise the Disclosing Party to take whatever steps it deems necessary to protect its interests in this regard and provided further that the Receiving Party will disclose only that portion of the Confidential Information which it is legally required to disclose and the Receiving Party will use its reasonable endeavours to protect the confidentiality of such Confidential Information to the greatest extent possible in the circumstances
- 8.5 Is received from a Third Party in circumstances that do not result in a breach of the provisions of this Agreement.

9. Term of Agreement

- 9.1 This Agreement shall be effective on and from the date of signature of the last signing
Party and shall be effective for a period of..... months (the “Term”).
- 9.2 In the event that the Parties extend the “Term” by mutual and written agreement, then the provisions of this Agreement shall endure for a further period of months mutatis mutandis.

10. Breach

In the event that the Receiving Party should breach the provisions of this Agreement and fail to remedy such breach within seven (7) days from date of a written notice to do so, then the Disclosing Party shall be entitled to invoke all remedies available to it in law including, but not limited to, the institution of urgent interim proceedings and/ or an action for damages.

11. Enforcement

The failure by the Disclosing Party to enforce or to require the performance at any time of any of the provisions of this Agreement shall not be construed to be a waiver of such provision, and shall not affect either the validity of this Agreement or any part thereof or the right of the Disclosing Party to enforce the provisions of this Agreement.

12. Headings

The headings of the clauses of this Agreement are used for convenience only and shall not effect the meaning or construction of the contents of this Agreement.

13. Representations and Warranties

Each Party represents that it has authority to enter into this Agreement and to do all things necessary to procure the fulfilment of its obligations in terms of this Agreement.

14. Entire Agreement

This Agreement contains the entire Agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior Agreements between the Parties, whether written or oral, with respect to the subject matter of this Agreement.

15. Assignment

This Agreement shall not be assigned by the company to any person, save and except with the prior consent of DRDO in writing, and that the DRDO shall be entitled to decline consent without assigning any reason.

16. Dispute Resolution

In event of any dispute or difference between the Parties hereto, such disputes and differences shall be resolved amicably by mutual consultation. If such resolution is not possible, then, the unresolved dispute and difference shall be

referred to arbitration of the Sole Arbitrator to be appointed by the Secretary, Department of Defence Research & Development on the recommendation of the Secretary, Department of Legal Affairs (“Law Secretary”), Government of India. The provisions of Arbitration and Conciliation Act, 1996 (No. 26 of 1996) shall be applicable to the arbitration under this clause. The venue of such arbitration shall be at Delhi or any other place decided by the arbitrator and the language of arbitration proceedings shall be English. The arbitrator shall make a reasoned award (the “Award”), which shall be final and binding on the Parties.

17. Governing law

This Agreement and the relationship of the Parties in connection with the subject matter of this Agreement and each other shall be governed and determined in accordance with the laws of the Republic of India.

18. Force Majeure

Neither Party shall be responsible or liable to the other Party for any failure to perform any of its covenant or obligations hereunder if such failure results from Force Majeure, i.e., unforeseeable events or circumstances, any acts of God and beyond the reasonable control of such Party. The Party failing to perform as a result of an event of Force Majeure shall no later than Fifteen (15) days from the occurrence of Force Majeure notify in writing to the other Party of such event of Force Majeure and shall take all action that is reasonably possible to remove such event of Force Majeure.

19. Postal addresses

19.1 Any written notice in connection with this Agreement shall be addressed:

19.1.1 In the case of DRDO

Address : Director, Industry Interface and Technology Management (DI²TM),

DRDO HQrs, 447, B Block,

DRDO Bhawan, Rajaji Marg,

New Delhi - 110 011

19.1.2 In the case of The Company

Address: Company.....

.....
and shall be marked for the attention of Name, nominated by the Company

- 19.2 A Party may change that Party's address, provided it gives a 30 (thirty) days prior notice in writing to the other Party.
- 19.3 If any notice is to be sent by mail, it shall be sent by prepaid registered mail and shall then be deemed until and unless the contrary is proved, to have been received 20 (twenty) days after the date of posting.
- 19.4 If any notice is sent by telefax, it will be deemed, until and unless the contrary is proved, to have been received on the date recorded on the transmission slip.
- 19.5 If any notice is delivered by hand, it will be deemed to have been received on proof of the date of delivery.

20. Severability

In the event of any one or more of the provisions of this Agreement being held for any reason to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision was not a part of this Agreement, and the Agreement shall be carried out as nearly as possible in accordance with its original terms and intent.

21. Amendments

No amendment/ modification/ alternation of any of the terms of this Agreement shall be valid till it is reduced to writing and duly signed by the Parties. Any amendment shall be subject to final approval by the Director, DI²TM, DRDO HQrs.



IN WITNESS HEREOF, the parties have set their hands to it on the Day,.....Month and Year..... (Two Thousand)

Signed For and on behalf of the President of India	Signed by on and behalf of M/s “Name of the Company”, City
By :	By :
Name :	Name :
Title : Director, Name of Lab, City	Title :
Date :	Date :
By :	
Title : Director, DI²TM, DRDO HQrs, New Delhi	
Title : Director, Name of Lab, City	
Date :	

In the presence of :

Witness

By : _____

Name: _____

Title: _____

Organisation: _____

By :

Date:

Witness

By : _____

Name: _____

Title: _____

Organisation: _____



Appendix 'F'

Confidentiality and Non-Disclosure Agreement (CNDA)

(For Foreign Companies)

Between

LAB Name, City

Defence Research Development Organisation (DRDO)

Ministry of Defence, Government of India

And

Company Name, City, Country

This Confidentiality and Non-Disclosure Agreement is entered into on the Day of.....Month in the Year(Two Thousand)

Between

The President of India, acting through and represented by the **Director, Lab Name, City** a constituent laboratory under the **Defence Research and Development Organisation**, Ministry of Defence, Government of India and the **Director, Industry Interface and Technology Management (DI²TM)** at DRDO HQ, DRDO Bhawan, New Delhi – 110011(Hereinafter referred to as “DRDO”, which expression shall whenever the context so requires or admits, mean and include its successors in office and/ assigns).

And

“Name of the Company”, a company formed in accordance with the laws of **Name of Country** and having their registered office at **Company Address (Hereinafter referred to as Company Name, which expression shall whenever the context so requires or admits, mean and include their heirs/successors, respective executors, administrators, legal representatives, and/or permitted assigns)**.

“DRDO” and **“Company Name”** are individually referred to as **“Party”** and jointly as **“Parties”**.

WHEREAS



- a) DRDO has developed a technology called - **“Technology Name”**,
Technology Description
.....
..... **(Hereinafter referred to as “Technology” for which the present agreement of Confidentiality and Non-Disclosure is executed)**
- (b) The Parties intend to provide each other with certain information pertaining to their operations and the Parties are in the process of discussing certain matters with a view to concluding a business agreement (**“the potential agreement”**), which discussions have required and will require the disclosure to one another of information of a proprietary, secret and confidential nature. Whether or not the Parties conclude the potential agreement will not affect the validity of this Agreement.
- (c) The Parties wish to record the terms and conditions upon which they shall disclose the Confidential Information to each other, which terms and conditions shall constitute a binding and enforceable Agreement between the Parties and their agents.

NOW THEREFORE in consideration of the foregoing and the respective covenants and Agreements set forth in this Agreement, the sufficiency and adequacy of which is hereby acknowledged, and intending to legally bound hereby, the Parties agree as follows:

1. Disclosing and Receiving Parties

The Party Disclosing the Confidential Information shall be known as the “Disclosing Party” and the Party Receiving the Confidential Information shall be known as the “Receiving Party”.

2. The Confidential Information

“Confidential Information” shall, for the purpose of this Agreement include, without limitation, any technical, commercial, financial information, know-how, trade secrets, processes, machinery, designs, drawings, technical specifications, and data in whatever form, disclosed to or assessed by the Receiving Party during the course of its relationship with the Disclosing Party.




3. Disclosure of Confidential Information

- 3.1 The Disclosing Party shall disclose the Confidential Information to the Receiving Party only to the extent deemed necessary or desirable by the Disclosing Party in its discretion.
- 3.2 The Receiving Party acknowledges that the Confidential Information is a valuable, special and unique asset proprietary to the Disclosing Party.
- 3.3 The Receiving Party agrees that it will not, during or after the course of their relationship and/or the term of this Agreement as described in Clause 9, disclose the Confidential Information to any third Party for any reason or purpose whatsoever without the prior written consent of the Disclosing Party, save in accordance with the provisions of this Agreement. For avoidance of doubt, in this Agreement “Third Party” means any Party other than the Receiving and Disclosing Parties (their holding and subsidiary companies or agents who shall be deemed to be bound by the provisions of this Agreement).
- 3.4 Notwithstanding anything to the contrary contained in this Agreement the Parties agree that the Confidential Information may be disclosed by the Receiving Party to its professional advisors on a need-to-know basis; provided that the Receiving Party takes all the necessary steps to ensure that such professional advisors agree to abide by the terms of this Agreement to prevent the unauthorised disclosure of the Confidential Information to Third Parties. For purposes of this clause, the Receiving Party’s professional advisers and employees, directors or managers shall be deemed to be acting, in the event of a breach, as the Receiving Party’s duly authorised agents.
- 3.5 The Receiving Party agrees not to utilise, exploit or in any other manner whatsoever use the Confidential Information disclosed pursuant to the provisions of this Agreement for any purpose whatsoever without the prior written consent of the other/the Disclosing Party.

4. Title

All Confidential Information disclosed by the Disclosing Party to the Receiving Party is acknowledged by the Receiving Party:

- (a) To be proprietary to the Disclosing Party; and
 - (b) Not to confer any rights on the Receiving Party of whatever nature in the Confidential Information.
- 

5. Restrictions on disclosure and use of the Confidential Information

The Receiving Party undertakes not to use the Confidential Information for any purpose other than:

- (a) That for which it is disclosed as specifically directed by the Disclosing Party; and
- (b) In accordance with the provisions of this Agreement.

6. Standard of Care

Both Parties agree that they shall protect the Confidential Information disclosed pursuant to the provisions of this Agreement using the same standard of care that each Party applies to safeguard its own proprietary, secret or Confidential Information and that the Confidential Information shall be stored and handled in such a way as to prevent any unauthorised disclosure thereof.

7. Return of material containing or pertaining to the Confidential Information

- 7.1 Either Party may, at any time, request the other to return any material and/or data in whatever form containing, pertaining to or relating to Confidential Information disclosed pursuant to the terms of this Agreement and may, in addition request the other to furnish a written statement to the effect that, upon such return, the Receiving Party has not retained in its possession, or under its control, either directly or indirectly, any such material and/or data.
- 7.2 As an alternative to the return of the material and/or contemplated in Clause 7.1 above, the Receiving Party shall, at the instance of the Disclosing Party, destroy such material and/or and furnish the Disclosing Party with a written statement to the effect that all such material has been destroyed.
- 7.3 The Receiving Party shall comply with any request by the Disclosing Party in terms of this clause, within 7 (seven) days of receipt of any such request.

8. Excluded Confidential Information

The obligations of the Receiving Party pursuant to the provisions of this Agreement shall not apply to any Confidential Information that:

- 8.1 Is known to, or in the possession of the Receiving Party prior to disclosure thereof by the Disclosing Party
- 8.2 Is or has become publicly known, otherwise than as a result of a breach of this Agreement by the Receiving Party
- 8.3 Is developed independently of the Disclosing Party by the Receiving Party in circumstances that do not amount to a breach of the provisions of this Agreement
- 8.4 Is disclosed by the Receiving Party to satisfy an order of a court of competent jurisdiction or to comply with the provisions of any law or regulation in force from time to time; provided that in these circumstances, the Receiving Party shall advise the Disclosing Party to take whatever steps it deems necessary to protect its interests in this regard and provided further that the Receiving Party will disclose only that portion of the Confidential Information which it is legally required to disclose and the Receiving Party will use its reasonable endeavours to protect the confidentiality of such Confidential Information to the greatest extent possible in the circumstances
- 8.5 Is received from a Third Party in circumstances that do not result in a breach of the provisions of this Agreement.

9. Term of Agreement

- 9.1 This Agreement shall be effective on and from the date of signature of the last signing Party and shall be effective for a period of.....months (the "Term").
- 9.2 In the event that the Parties extend the "Term" by mutual and written agreement, then the provisions of this Agreement shall endure for a further period of months mutatis mutandis.

10. Breach

In the event that the Receiving Party should breach the provisions of this Agreement and fail to remedy such breach within seven (7) days from date of a written notice to do so, then the Disclosing Party shall be entitled to invoke all remedies available to it in law including, but not limited to, the institution of urgent interim proceedings and/ or an action for damages.

11. Enforcement

The failure by the Disclosing Party to enforce or to require the performance at any time of any of the provisions of this Agreement shall not be construed to be a waiver of such provision, and shall not affect either the validity of this Agreement or any part hereof or the right of the Disclosing Party to enforce the provisions of this Agreement.

12. Headings

The headings of the clauses of this Agreement are used for convenience only and shall not effect the meaning or construction of the contents of this Agreement.

13. Representations and Warranties

Each Party represents that it has authority to enter into this Agreement and to do all things necessary to procure the fulfilment of its obligations in terms of this Agreement.

14. Entire Agreement

This Agreement contains the entire Agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior Agreements between the Parties, whether written or oral, with respect to the subject matter of this Agreement.

15. Assignment

This Agreement shall not be assigned by the company to any person, save and except with the prior consent of DRDO in writing, which the DRDO shall be entitled to decline consent without assigning any reason.

16. Dispute Resolution

In event of any dispute or difference between the Parties hereto, such disputes and differences shall be resolved amicably by mutual consultation. If such resolution is not possible, then, the unresolved dispute and difference shall be referred to arbitration of the Sole Arbitrator to be appointed by the Secretary,

Department of Defence Research & Development on the recommendation of the Secretary, Department of Legal Affairs (“Law Secretary”), Government of India. The provisions of Arbitration and Conciliation Act, 1996 (No. 26 of 1996) shall be applicable to the arbitration under this clause. The venue of such arbitration shall be at Delhi or any other place decided by the arbitrator and the language of arbitration proceedings shall be English. The arbitrator shall make a reasoned award (the “Award”), which shall be final and binding on the Parties.

17. Governing law

This Agreement and the relationship of the Parties in connection with the subject matter of this Agreement and each other shall be governed and determined in accordance with the laws of the Republic of India.

18. Force Majeure

Neither Party shall be responsible or liable to the other Party for any failure to perform any of its covenant or obligations hereunder if such failure results from Force Majeure i.e., unforeseeable events or circumstances, any acts of God and beyond the reasonable control of such Party. The Party failing to perform as a result of an event of Force Majeure shall no later than Fifteen (15) days from the occurrence of Force Majeure notify in writing the other Party of such event of Force Majeure and shall take all action that is reasonably possible to remove such event of Force Majeure.

19. Postal addresses

19.1 Any written notice in connection with this Agreement shall be addressed:

19.1.1 In the case of DRDO

Address:

Director, Industry Interface and Technology Management,

DRDO HQrs, 447, B Block,

DRDO Bhawan, Rajaji Marg,

New Delhi–110011

19.1.2 In the case of The Company Address

.....
.....
and shall be marked for the attention of **Name nominated by the company**

- 19.2 A Party may change that Party's address, provided it gives a 30 (thirty) days prior notice in writing to the other Party.
- 19.3 If any notice is to be sent by mail, it shall be sent by prepaid registered mail and shall then be deemed until and unless the contrary is proved, to have been received 20 (twenty) days after the date of posting.
- 19.4 If any notice is sent by telefax, it will be deemed, until and unless the contrary is proved, to have been received on the date recorded on the transmission slip.
- 19.5 If any notice is delivered by hand, it will be deemed to have been received on proof of the date of delivery.

20. Severability

In the event of any one or more of the provisions of this Agreement being held for any reason to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision was not a part of this Agreement, and the Agreement shall be carried out as nearly as possible in accordance with its original terms and intent.

21. Amendments

No amendment/ modification/ alternation of any of the terms of this Agreement shall be valid till it is reduced to writing and duly signed by the Parties. Any amendment shall be subject to final approval by the Director, DI²TM, DRDO HQrs.



**IN WITNESS HEREOF, the parties have set their hands to it on the
Day,.....Month and Year..... (Two Thousand)**

Signed For and on behalf of the President of India	Signed by on and behalf of M/s “Name of the Company”, City
By :	By :
Name :	Name :
Title : Director, Name of Lab, City	Title :
Date :	Date :
By :	
Title : Director, DI²TM, DRDO HQrs, New Delhi	
Title : Director, Name of Lab, City	
Date :	

In the presence of :

Witness

By : _____

Name: _____

Title: _____

Organisation: _____

By :

Date:

Witness

By : _____

Name: _____

Title: _____

Organisation: _____



Material Transfer Agreement (MTA)

Between

LAB Name, City

Defence Research & Development Organisation (DRDO), India

And

Name of the Company, City, Country

For

Name of the Technologies

This MATERIAL TRANSFER AGREEMENT (the "Agreement"), is entered into on the..... Day of Month in the Year(Two Thousand)

BETWEEN

The President of India, acting through and represented by the **Director, Lab Name, City** a constituent laboratory under the **Defence Research and Development Organisation**, Ministry of Defence, Government of India and the **Director, Industry Interface and Technology Management (DI²TM)** at DRDO HQrs, DRDO Bhawan, New Delhi – 110011(Hereinafter referred to as "**PROVIDER**", which expression shall whenever the context so requires or admits, mean and include its successors in office and/ assigns).

AND

"Name of the Company", a company formed in accordance with the laws of India and having their registered office at **Company Address** (Hereinafter referred to as "**RECIPIENT**", which expression shall whenever the context so requires or admits, mean and include their heirs/successors, respective executors, administrators, legal representatives, and/or permitted assigns).

Pursuant to signing of the **Confidentiality & Non Disclosure Agreement** dated _____ between the PROVIDER and the RECIPIENT, the RECIPIENT has shown

keen interest in further Testing and Validation on the products and technologies of – **Name of the technologies (Hereinafter together referred to as the “MATERIAL”)** already developed in India by the PROVIDER. The PROVIDER has, therefore, agreed to provide to the RECIPIENT with materials and protocols proprietary to PROVIDER in order to allow such institutions and investigators in India through the RECIPIENT to conduct Testing and Validation relating to the ‘MATERIAL’, subject to the terms and conditions set forth below.

1. **Material; Testing and Validation**

Subject to the terms and conditions of this Agreement, PROVIDER agrees to provide RECIPIENT with mutually agreed quantities of the materials specified on Exhibit A (the “Material”) as are reasonably available for the sole purpose of allowing RECIPIENT to undertake the Testing and Validation described on Exhibit B (the “Testing and Validation”) RECIPIENT shall be responsible for the cost of transporting Material shipped to it by PROVIDER pursuant to this Agreement.

2. **Other Limitations**

RECIPIENT agrees: (i) to use prudence and reasonable care in the use, handling, storage, transportation, disposition, and containment of the Material, due to its experimental nature; (ii) not to administer or use the Material in humans under any circumstance; (iii) not to use the Material for any commercial purpose; (iv) not to use the Material in any research other than the Testing and Validation (as described on Exhibit B) without first obtaining PROVIDER’s written consent.

3. **Control of Material.**

RECIPIENT AGREES TO RETAIN CONTROL OVER THE MATERIAL AND NOT TO TRANSFER MATERIAL TO ANY THIRD PERSON OR ENTITY WITHOUT FIRST OBTAINING PROVIDER’S PRIOR WRITTEN CONSENT.

PROVIDER reserves the right to distribute the Material to others and use the Material without restriction for its own purposes. Upon the earlier to the PROVIDER’s notice or the completion of the Testing and Validation, RECIPIENT agrees to notify PROVIDER of any quantities of Material remaining upon completion of the Testing and Validation and, at PROVIDER’s option, shall (i)

return any remaining Material to PROVIDER, or (ii) destroy such material on the request of the PROVIDER and on destruction of such remaining Material, the RECIPIENT shall provide a 'Certificate of Destruction' to the PROVIDER clearly mentioning therein the quantities of the Materials destroyed and the method used for destruction.

4. No Warranty

THE MATERIAL BEING SUPPLIED BY THE PROVIDER UNDER THIS AGREEMENT IS FOR THE TESTING AND VALIDATION PURPOSE ONLY ON "AS IS WHERE IS" BASIS AND IT SHALL NOT CARRY WARRANTIES OF WHATSOEVER NATURE, EITHER EXPRESSED OR IMPLIED AND THE PROVIDER HEREBY SPECIFICALLY AND EXPRESSELY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE MATERIAL FOR A PARTICULAR PURPOSE. PROVIDER makes no representation or warranty that the use of Material will not infringe the proprietary rights of any third party.

5. Confidentiality

All oral or written communications received by RECIPIENT relating to Material are, and shall remain, proprietary and confidential to PROVIDER. RECIPIENT agrees to hold all such information in strict confidence and not to disclose such information to any third party or use it for any purpose other than to conduct the Testing and Validation, except that RECIPIENT shall not be required to maintain the confidentiality of information that:

- (a) Is already known to RECIPIENT at the time of its disclosure by PROVIDER, as evidenced by written records of RECIPIENT,
- (b) Has become publicly known and generally available through no wrongful act of RECIPIENT, or
- (c) Has been received by RECIPIENT or from a third party authorised to make such disclosure, as evidenced by written records of RECIPIENT.

6. Reports

During the term of this Agreement, RECIPIENT agrees to (i) periodically, but in no event less than annually, furnish PROVIDER with a written report summarising the results of the Testing and Validation to date, and (ii) within thirty (30) days

of the completion of the Testing and Validation, furnish PROVIDER with a final written report detailing the results of the Testing and Validation. The final report may be in the form of a manuscript, abstract, or other publication submission. Such report shall be submitted in English language.

7. Publications

PROVIDER recognises that RECIPIENT may wish to publish scientific articles, abstracts, or posters, or make oral presentations relating to the results or Testing and Validation, and RECIPIENT recognises that publication or other public disclosure of the information relating to the Results or Testing and Validation can jeopardize proprietary rights, including patent rights, relating thereto of the PROVIDER. Therefore, RECIPIENT specifically agrees not to publish in any form and/or disclose to a third party or to public at large or make oral presentation relating to the Results or Testing and Validation, without specific and categorical written consent and approval of the PROVIDER in advance. It is clearly understood that if the RECIPIENT publishes and/ or discloses or makes oral presentation stated above, without prior written consent and approval of the PROVIDER, RECIPIENT shall render itself liable to damages to the PROVIDER for breach of the Agreement. For the purpose of obtaining such advance consent and approval of the PROVIDER, the RECIPIENT shall provide to the PROVIDER with an advance copy of such proposed publication, oral presentation, poster, or other disclosure intending to disseminate any or all of the results at least thirty (30) days prior to submission for publication, presentation, or other disclosure. At PROVIDER's request, RECIPIENT agrees to delete confidential information of PROVIDER, and, if requested by PROVIDER within such thirty (30) day period, to delay submission for publication, presentation, or other disclosure for up to an additional sixty (60) days to permit the filing of one or more patent applications in respect of Developments. In the event PROVIDER determines that Results or Developments are more appropriately protected by a form of intellectual property other than patent rights, RECIPIENT agrees to delete the same from the publication, presentation, or other disclosure. In accordance with scientific custom, the contribution of PROVIDER will be expressly noted in all written or oral public disclosures made by RECIPIENT which relate to the Testing and Validation or results, by acknowledgment or co-authorship, as appropriate.

8. Ownership

It is understood by RECIPIENT that PROVIDER and its Affiliates will retain full ownership of the Material(s). Both parties will explore the possibility of a further collaboration, including the business terms thereof, in good faith if the results of the Study under this MTA warrant the same. In the event of breach by the RECIPIENT, PROVIDER shall remain the exclusive owner of all materials and know-how exchanged between PROVIDER and the RECIPIENT.

9. Term; Termination

The term of this Agreement shall extend until _____ unless the same is extended in writing by the Parties. Any right or obligation which accrues hereunder and Clauses 3, 5-9, 14, and 17 of this Agreement prior to the effective date of termination shall survive such termination.

10. Notice

Any notice to be given pursuant to this Agreement shall be made and deemed effective if sent to the party to whom such notice is required or permitted at the party's address first listed above, attention: **Director, Directorate of Industry Interface and Technology Management (DI²TM)**, if to PROVIDER, and attention: Name of Recipient – Designation, **Name of the Company**, if to RECIPIENT. Notice may be given via courier, registered mail, postage prepaid, and the like.

11. Relationship

The relationship created by this Agreement between PROVIDER and RECIPIENT shall be that of independent contractors without the authority given to either party to bind or act as agent for the other or its employees for any purpose.

12. Compliance with Law

RECIPIENT shall ensure that it shall comply with all applicable Government laws, regulations, and rules while carrying out the Testing and Validation and for any violations thereof, the RECIPIENT alone shall be fully liable.

13. Indemnification

RECIPIENT shall indemnify, defend, and hold PROVIDER, its directors, officers, employees, and agents harmless from and against any liability or cost, arising from any claim, suit, or proceeding arising as a result of or in connection with RECIPIENT's use, handling, storage, transportation, disposition, or containment of the material or conduct of the Testing and Validation or use of the Results, except to the extent due to the gross negligence of PROVIDER.

14. No Implied Licences

EXCEPT AS EXPRESSLY PROVIDED HEREIN, PROVIDER DOES NOT, BY IMPLICATION OR OTHERWISE, GRANT TO RECIPIENT ANY LICENCE OR OTHER RIGHT WITH RESPECT TO MATERIAL, DEVELOPMENTS, RESULTS, OR ANY INTELLECTUAL PROPERTY RELATING TO ANY OF THE FOREGOING.

15. No Conflicting Obligations

The Materials will not be used by the RECIPIENT in any research that is subject to consulting licensing or similar obligations to any third party without the prior written consent of the PROVIDER. In no event will the RECIPIENT use the results to file or support patent applications or patents in its name or in the name of any third party, without the prior written consent of the PROVIDER.

16. Grants

Applying for Grants in connection with the subject of this Agreement is not allowed without the prior written consent of PROVIDER. For this, RECIPIENT shall disclose to the PROVIDER all the terms and conditions of the intended grants.

17. Assignment

RECIPIENT shall not assign its interest in this Agreement without the prior written consent of PROVIDER to any third party. However, PROVIDER may assign its interest in this Agreement and its rights hereunder to any other person.

18. Dispute Resolution/Arbitration

In event of any dispute or difference between the Parties hereto, such disputes and differences shall be resolved amicably by mutual consultation. If such resolution is not possible, then, the unresolved dispute and difference shall be referred to arbitration of the Sole Arbitrator to be appointed by the Secretary, Department of Defence Research & Development on the recommendation of the Secretary, Department of Legal Affairs (“Law Secretary”), Government of India. The provisions of Arbitration and Conciliation Act, 1996 (No. 26 of 1996) shall be applicable to the arbitration under this clause. The venue of such arbitration shall be at Delhi or any other place decided by the arbitrator and the language of arbitration proceedings shall be English. The arbitrator shall make a reasoned award (the “Award”), which shall be final and binding on the Parties.

19. Governing Law

This Agreement and the relationship of the parties in connection with the subject matter of this Agreement with each other shall be governed and determined in accordance with the laws of the Republic of India.

20. Amendments

No amendment, modification, alteration or waiver of any of the provisions of this Agreement shall be effective unless reduced in writing and signed by both the parties.

21. Force Majeure

This Agreement is subject to usual Force Majeure clause preventing the Parties to discharge their obligations which includes incidents by fire, Act of God, riots or other civil commotion, enemy action and/or other causes not within the control of the parties and in such cases neither party shall be liable to pay any compensation, claims to the other party. In the event either of the parties is affected by any circumstance covered under this Force Majeure Clause, the other Party to the Agreement shall be informed of such circumstance within 15 days from the date of arising of such situation. If the situation preventing the affected Party to discharge its obligation, under the Agreement persists for more than three months continuously, either Party shall be at liberty to terminate this

Agreement, subject of other clauses in this Agreement especially Clause 3.

22. Non-Exclusivity

This Agreement has been signed between the parties on **non-exclusive** basis and the PROVIDER is at liberty to have similar arrangement with other organisations in India and abroad during the validity of this Agreement.

23. Entire Agreement

This Agreement with its Exhibits set forth the entire agreement between the parties with respect to the subject matter contained herein and supersedes any previous understandings, commitments, or agreements, whether oral or written, with respect to the subject matter of this Agreement.



IN WITNESS HEREOF, the parties have set their hands to it on the Day,.....Month and Year..... (Two Thousand)

Signed For and on behalf of the President of India	Signed by on and behalf of M/s “Name of the Company”, City
By :	By :
Name :	Name :
Title : Director, Name of Lab, City	Title :
Date :	Date :
By :	
Title : Director, DI²TM, DRDO HQrs, New Delhi	
Title : Director, Name of Lab, City	
Date :	

In the presence of:

Witness

By : _____

Name: _____

Title: _____

Organisation: _____

By :

Date:

Witness

By : _____

Name: _____

Title: _____

Organisation: _____



Exhibit A: Material and Protocols

For purposes of this Agreement, “Material” shall mean:


- Quantity of Product(s)

Exhibit B: Testing and validation

By Testing and Validation it would mean the process of checking/tests/experiments conducted to prove the claim or confirm the performance, validity of data, or validate the processes as claimed by the mentioned technology/material/ product.

It could also include all such tests/experiments that are required to be conducted for getting the necessary statutory approvals for introducing the product/ technology in the market. List of such tests is to be provided by the recipient to the provider in writing and necessary approval has to be taken from the provider in writing.

It Prohibits:

- Its use for carrying out the tests/experiments for the purpose of reverse engineering or for any other purpose with an intention to exploit the findings for Business Development activities without entering into license agreement through transfer of technology from the provider.
 - Its use for publishing papers, without the prior written consent and approval by the Provider. However, publishing of the products/material provided by the Provider in the papers for advertising purposes with an object to market the product, are not prohibited.
 - Its citation and its discussion at various forums, seminars or conferences, without the prior written consent and approval by the Provider. For this, the Recipient as per the provisions of Clause 7 of the Agreement shall give to the Provider at least thirty (30) days advance notice and wait for his approval and/or objection/suggestion.
- 

Appendix 'H'

Licensing Agreement for Transfer of Technology (LAToT)

Between

LAB NAME, City

Defence Research & Development Organisation (DRDO), India

Ministry of Defence, Government of India

And

Company Name, City, Country (in Case of Foreign Company)

For

Transfer of Technology (ToT) of

Name of Technology

This Licensing Agreement for Transfer of Technology is entered into on the Day of Month in the Year(Two Thousand)

BETWEEN

The President of India, acting through and represented by the **Director, Lab Name, City** a constituent laboratory under the **Defence Research and Development Organisation**, Ministry of Defence, Government of India and **the Director, Industry Interface and Technology Management (DI²TM)** at DRDO HQrs, DRDO Bhawan, New Delhi – 110 011(Hereinafter referred to as “**DRDO**”, which expression shall whenever the context so requires or admits, mean and include its successors in office and/ assigns) on the first part

AND

“**Name of the Company**”, a company formed in accordance with the laws of India and having their registered office at **Company Address** (Hereinafter referred to as “**Company Name**”, which expression shall whenever the context so requires or admits, mean and include their heirs/successors, respective executors, administrators, legal representatives, and/or permitted assigns) represented by on the second part.

“DRDO” and “**Company Name**” are individually referred to as “**Party**” and jointly as “**Parties**”.

1. Preamble

- 1.1 **WHEREAS DRDO**, during the course of its research activities has developed a unique technology for **Application of Technology** (Hereinafter referred to as the “**Technology**” and more fully described in Technical Know-How) which is a “**Product Name**”, (Hereinafter referred to as the “**Products**” and more fully described in Products Description).
- 1.2 **WHEREAS Company Name**, is desirous of utilising the developed “**Technology**” to manufacture in India/ “**Country Name**”^{*} and sell in ‘India’ and/ “**Countries Name**”^{*} (Hereinafter referred to as **Licensing Regions and morefully described in “Licensing Regions”**), the “**Products**”, there from.

2. Technical Know-How

DRDO shall transfer the complete details of the technical know-how and testing method for quality assurance to **Company Name** with requisite data on the functioning of the product.

3. Product Description

The “Product” is

.....

.....

4. Licensing Regions

- 4.1 By this Licensing Agreement for Transfer of Technology, DRDO grants a **non-exclusive** Licence to utilise the “**Technology**” by “**Name of the Company**” for the manufacture in ” _____ ” and sell to ” _____ ” (referred as “**Licensing Region**”) **under the provisions contained in succeeding clauses of this Agreement.**
- 4.2 For sale of the product outside the licensing region “**Name of the Company**” shall seek prior written approval of DI²TM, DRDO HQrs.

In pursuance of above, NOW IT IS AGREED BY AND BETWEEN THE PARTIES



AS FOLLOWS:


5. Grant of License

- 5.1 By this Licensing Agreement for Transfer of Technology, DRDO grants a **non-exclusive** license to utilise the “Technology” by “**Name of the Company**” for the manufacture in “_____” and for sale in the “licensing regions” for “Period of License” (described at Clause 14) from the date of this Agreement becoming effective.
- 5.2 DRDO shall have the March-in Rights to use the IP for its own use in the interest of Government of India without any restrictions, irrespective of the nature of license granted in this agreement.

6. Responsibilities of Parties

- 6.1 DRDO agrees to supply the “Technology” in the form of documents like drawings specifications, known sources of materials, samples for guidance and visualisation, testing details and specifications (which hereinafter will be collectively referred to as “Technology Transfer Documents TTD”).
- 6.2 During the Technology Transfer period (i.e., the time period required for transferring the technology as per TTD from “DRDO” to “**Name of the Company**”), DRDO shall depute free of cost to “**Name of the Company**” experts/ personnel for a period not exceeding _____ man-days to provide technical assistance for manufacturing products for the first order.
- 6.3 For any technical assistance given beyond this Technology Transfer period (____ man-days), if required, “**Name of the Company**” shall pay to DRDO Rs 5000/- (Rupees Five thousand only) per man-day of the DRDS and Rs 3000/- (Rupees Three thousand only) per man-day of the non-DRDS/staff. For deputation abroad “**Name of the Company**” shall pay the consultation charges of \$ 500 (Five Hundred US Dollars) per man-day to DRDO. “**Name of the Company**” shall also bear the transport and lodging costs of the scientists and staffs, as per Government rules.
- 6.4 “**Name of the Company**” undertakes to manufacture the “Product” in accordance with the specifications contained in the TTD supplied by DRDO. Any changes/ deviations shall be mutually agreed upon in writing.
- 6.5 During the “**Period of Validity of License**” (refer Clause 14), DRDO reserves

the right to stage inspect all materials and processes in the manufacture, at such intervals and under such conditions as may be felt necessary by DRDO. During such inspection should the materials and/or stage-products fail to meet the specification(s) as per the TTD, the rejects will be to the account of **“Name of the Company”**. After rectification, if the product still does not meet the specifications, DRDO may revoke the licence conferred on **“Name of the Company”**.

- 6.6 Further, on prior written approval from DRDO, **“Name of the Company”** can manufacture the said **“Technology”** & **“Product”** overseas subject to the ‘government rules/policies on the subject’. Also, for export of raw material, machine and tools from India to the country of manufacture abroad shall be subject to the Policy of the Government of India and law relating to import/export in both the countries, compliance of which shall be sole responsibility of **“Name of the Company”** alone.
- 6.7 It shall be the sole responsibility of **“Name of the Company”** to ensure maintaining the quality of the **“Technology”** and **“Products”** and in case of any complaint/claim in the quality of the **“Technology”** and **“Product”** produced by **“Name of the Company”** is received, DRDO shall in no way be held responsible in any manner, whatsoever, for such rejection/claims, etc. DRDO’s responsibility shall be limited to providing technical assistance to **“Name of the Company”** on the above terms and conditions. If DRDO’s assistance is required by any sub-licensee of **“Name of the Company”** in India or abroad, the same shall be provided on the terms to be discussed and agreed separately.
- 6.8 **Mutual Indemnification:** Subject to the above provisions DRDO agrees, to indemnify and hold harmless the **“Name of the Company”** against any liabilities, damages and cost, to the extent of money received by DRDO as ToT Fees. The **“Name of the Company”** agrees to the fullest extent permitted by law, to indemnify and hold harmless DRDO from any liabilities, damages and costs (including reasonable attorneys fees and cost of defense) to the extent caused by the negligent acts, errors or omissions of the **“Name of the Company”** or anyone for whom **“Name of the Company”** is legally responsible.
- 6.9 **“Name of the Company”** undertakes and assures that it will always follow best Corporate Practices
- 6.10 **“Name of the Company”** will provide the maintenance, repair and all necessary life cycle support to the User.
- 

- 6.11 'Name of Company' has done its due-diligence on the technology and has fully satisfied them with the performance of the technology and shall not seek refund of ToT Fees from DRDO under any circumstances.
- 6.12 The supply chain developed by DRDO prior to ToT shall be given preference by the "**Name of the Company**" for components/ subsystems. However, licensee industry may develop additional vendors for supply chain in case supply chain vendor(s) developed by DRDO is not able to match quality/ quantity/ schedules etc, and only after the necessary clearance from concerned DRDO Lab.

7. Sale

- 7.1 "**Name of the Company**" undertakes to launch the "Products" within a period of ___ months from the date of signing of this Agreement or within a period of ___ months from the date of receipt of 1st supply order*, failing which the license will be revoked and the "**Name of the Company**" will have no claim whatsoever on upfront ToT Fees given to DRDO and shall be forfeited.
- 7.2 If there is any delay in the launch of the product then "**Name of the Company**" will seek prior written approval for extension of period from DRDO HQrs, through Director, DI²TM.
- 7.3 "**Name of the Company**" undertakes to spend sufficient fund for promoting/ branding/ marketing the said "Products".
- 7.4 "**Name of the Company**" shall inform DRDO of the sale of the product on a yearly basis (financial year). A copy of this information will also be sent to DI²TM, DRDO.
- 7.5 For enquiries received from abroad for the product, "**Name of the Company**" shall seek prior written approval from DI²TM, DRDO.

8. Financial Arrangements

- 8.1 "**Name of the Company**" shall pay to DRDO a Total **Technology Transfer Fees** of _____ (Amount in Figure and Words) as per the payment schedule mentioned below:
- 8.1.1 _____ (Amount in Figure and Words) of the **Technology Transfer Fees** payable at the time of signing of Agreement for entering into the Licensing Agreement for Transfer of Technology.

- 8.1.2 The balance amount of _____ (Amount in Figures and Words) of the **Total Technology Transfer Fees** shall be payable as per mutually agreed terms and conditions mentioned at Annexure –1 to Annexure ‘K’.
- 8.1.3 Bank Guarantee*/ Indemnity* bond for balance payment of shall be given by **“Name of the Company”** with validity till receipt of full ToT license fees at the time of signing of this LAToT.
- 8.1.4 The **“Name of the Company”** shall also pay Goods & Service tax (as applicable) over and above ToT Fee and Royalty on Reverse Charge basis. ToT Fee and Royalty payments to be done through SBI e-MRO Portal.
- 8.2 The Annual Royalty payable to DRDO by **“Name of the Company”** shall be as follows:
- _____ royalty will be charged on Net Sales to Central Govt. Estt, Armed Forces (including Government Tenders) (*Applicable for both Cat ‘A’ & Cat ‘B’*)
 - Royalty on Net Sales to Indian Market (Except Central Government Establishment, Armed Forces and Government Tenders, etc.) _____ of value assessable for calculating GST. (*Applicable for Cat ‘B’ only*)
 - Royalty on Net Sales to Export Market _____ of invoice value declared to Customs authorities. **Export is subjected to the due approval from MoD/ DRDO.** (*Applicable for both Cat ‘A’ & Cat ‘B’*)
- 8.2.1 **Sales figure will be determined based on the selling price declared for the purpose of payment of GST.** Further sales figures for the purpose of royalty payment shall be based on a certificate derived from audited financial statements, duly certified by Chartered Accountant.
- 8.3 **The royalty** payment will be effected on pro-rata basis within 30 days of **publishing of the Annual Audited Financial Statements by Chartered accountants.** **“Name of the Company”** may quote the price to customers by including the royalty/ departmental charges payable to DRDO. However, Royalty payable to DRDO shall be calculated on **the Net Sale Price as described in clause 8.2 and 8.3.** In case of export by **“Name of the Company,** the Royalty to DRDO shall be calculated on F.O.B. price of the product as per the invoice and prevalent exchange rates on the date of remittance of invoice amount in the favour ToT recipient industry (from its foreign buyer) in RBI.

The Royalty will be charged in US Dollar in case where manufacturing takes


place abroad. The royalty will be charged as per the audited statement of records of sale by the foreign company and RBI in turn will remit the amount in INR to DRDO as per the prevailing exchange rate on the date when FE was remitted by the foreign company to RBI.

- 8.4 In the course of its normal research and development, if DRDO come across facts, which lead to incremental improvement, the same will be shared with **“Name of the Company”**. However, should the nature of the product be changed to bring about a new product, the same shall be offered to **“Name of the Company”** by DRDO and the commercial aspects will be renegotiated to mutual acceptance.
- 8.5 Payment of Technology Transfer Fee will be made by **“Name of the Company”** through **e-MRO portal (<https://cmp.onlinesbi.com/MOD / home.htm>) in favour of concerned CDA/ PCDA (R&D), ‘Place’ (under code head 01/855/00)**. **“Name of the company”** will submit a copy of e-MRO Receipts/ Challan generated against above payment to The **Director, ‘Lab Name’, Place. ‘Lab name’** will forward a copy of e-MRO Receipts/ Challan to concerned CDA/ PCDA (R&D) to get it deposited in Miscellaneous Receipts of DD(R&D). Also copy of e-MRO to be forwarded to **Director, DFMM, DRDO HQrs** for accounting purpose, with copy to **Director, Directorate of Industry Interface and Technology Management (DI²TM)**, DRDO HQrs, R No 447, ‘B’ Block, “DRDO Bhawan”, Rajaji Marg, New Delhi – 110 011. This procedure will be followed **for remittance of Royalty** as also in respect of export orders. Payment in respect of GST, if applicable, shall be made as per the provisions of Goods and Services Acts (as amended from time to time) as applicable for the services provided by Government of India Departments.
- 8.6 For all commercial/ financial aspects, DI²TM, DRDO HQrs, New Delhi will be consulted by **“Name of the Company”**.
- 8.7 In the event or default in payment of royalty by due date, **“Name of the Company”** shall pay interest on amount due, in default, at the bank lending rate (State Bank of India*) charge prevailing at the time in India.
- 8.8 **“Name of the Company”** will provide Certification of assessable value declared to Central Excise authorities and quantity of Production figures every year (Financial year) duly authenticated by their Chartered Accountant (CA) to Director, Name of the Lab, City with a copy to Director, DI²TM, New Delhi.

9. Marking

- 9.1 A DRDO product developed by DRDO and manufactured and marketed by **“Name of the Company”** shall have following markings “Product Developed by DRDO” or words to this effect DRDO logo shall be visibly displayed.
- 9.2 **“Name of the Company”** shall indicate in all the technical documents/brochures including copies thereof furnished by DRDO and in a manner approved by DRDO that the design and technology contained in the documents are the properties of DRDO.

10. Security

- 10.1 **“Name of the Company”** shall not transfer or sublicense by resale or otherwise, the know how/technology obtained from DRDO under this Agreement to any other party, in any manner, whatsoever, without the prior written approval of DRDO/ DIITM irrespective of whether this Licensing Agreement for Transfer of Technology is in force or not. **“Name of the Company”** undertakes that it will take prior permissions from DRDO in case of sub-licensing the “Technology” and “Products” in the **“Licensing Regions”**.
- 10.2 **“Name of the Company”** shall take all necessary measures to ensure that the technology is not passed on, disclosed, or given access to, except to such of their Directors, Officers and employees and their subcontractors to whom it is necessary to pass on, disclose or give access to, for the purpose of execution or manufacture of the product under this Licensing Agreement for Transfer of Technology. **“Name of the Company”** hereby accepts full responsibility for any of their Directors, Officers and Employees and their subcontractors and undertakes to fully compensate DRDO in that regards.
- 10.3 Any product improvements carried out by **“Name of the Company”** shall be got approved from DRDO before the product is offered for sale and the same shall be the property of DRDO and will not be passed on by **“Name of the Company”** to any other parties irrespective of whether this Licensing Agreement for Transfer of Technology is in force or not.
- 10.4 **“Name of the Company”**, during the course of productionisation and/or commercialisation of the “Product” based on “DRDO Technology”, may want to effect improvements thereby causing a different “Product” to be formulated. All such differentials and ‘variants’ will be deemed as based on the “DRDO
- 

Technology” and all clauses in this Agreement will be fully applicable to such ‘variants’. **Patent right on such new (improved) products/ variants shall be that of DRDO and DRDO may consider grant of an exclusive right to “Name of the Company” for that new variant, if “Name of the Company” so requests DRDO.**

- 10.5 **“Name of the Company”** shall keep royalty amounts and Technology Transfer fee and Royalty commercially confidential.

11. Title and Ownership of Design

The title to and ownership of the “Technology” including the improved technology and the “Products” including new variants and copyrights and intellectual property rights will rest exclusively with DRDO.

12. Dispute Resolution

In event of any dispute or difference between the Parties hereto, such disputes and differences shall be resolved amicably by mutual consultation. If such resolution is not possible, then, the unresolved dispute and difference shall be referred to arbitration of the Sole Arbitrator to be appointed by the Secretary, Department of Defence Research & Development on the recommendation of the Secretary, Department of Legal Affairs (“Law Secretary”), Government of India. The provisions of Arbitration and Conciliation Act, 1996 (No. 26 of 1996) shall be applicable to the arbitration under this clause. The venue of such arbitration shall be at Delhi or any other place decided by the arbitrator and the language of arbitration proceedings shall be English. The arbitrator shall make a reasoned award (the “Award”), which shall be final and binding on the Parties.

13. Effective Date

This Agreement shall be effective on and from the date it is signed by both the parties.

14. Period of Validity of License

- 14.1 DRDO grants a **non-exclusive** license to utilise the “Technology” by **“Name of the Company”** for the manufacture in _____ and for sale in the “licensing

regions” for ____ **years** (referred as “**Period of Validity of License**”) from the date of this Licensing Agreement for Transfer of Technology becoming effective.

14.2 Though the validity of the granted license is for ____ years, DRDO shall be at liberty to revoke the license in the following circumstances, without any liability of whatsoever nature, to either “**Name of the Company**” or to the new company/ owner/management and/ or to any other claimant.

14.2.1 If the company (“**Name of the Company**”) and/ or its sub-license* is Black-Listed by any India Government Agency and/or Government Organisation.

14.2.2 If the company (“**Name of the Company**”) and/ or its sub-license* fails to abide by the terms & conditions of this Agreement.

14.2.3 If it is found that “**Name of the Company**” and/or its sub-license* is involved in any unlawful acts.

14.2.4 In the event of change of Management, ownership and/ or merger* of “**Name of the Company**” into some other company or sale/transfer* of the company to some other person by any mode; like purchase of shares, taking over of the company by any other means, without prior knowledge and consent of DRDO.

14.2.5 If the company (“**Name of the Company**”) becomes insolvent.

14.2.6 If any undertaking provided by “**Name of the Company**” is found incorrect at any stage.

14.3 In the case of revocation of license, “**Name of the Company**” will have no claim whatsoever on ToT Fees, Royalty Fees given to DRDO before the Revocation.

14.4 This Licensing Agreement for Transfer of Technology shall be reviewed for further extension/termination before the expiration of validity of License offered through this agreement.

15. Force Majeure

15.1 Neither party shall be liable for any failure of performance under this Agreement, due to causes beyond such party’s reasonable control, including but limited to acts of God, fire, flood or other natural catastrophes; any law, order, regulation, direction, action of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lock-outs, work stoppages or other labour difficulties, provided however the party to which the force majeure has happened

shall use commercially reasonable efforts to eliminate such an event.

- 15.2 Force Majeure shall also be deemed in the event of any regulatory decision or government order requiring the either party to suspend its service(s) or operation for any reason whatsoever.
- 15.3 If either party is unable to act(s) for a period of 90 (ninety) consecutive days as a result of continuing Force Majeure event, the other party may cancel/ terminate the Agreement.
- 15.4 However, “**Name of the Company**” will have no claim whatsoever on ToT Fees, Royalty Fees given to DRDO before the enforcement of Force Majeure event.

16. Entire Agreement

- 16.1 This Agreement constitutes the final agreement between the Parties and it supersedes all prior agreements, understandings and other correspondence/ communications between the Parties with respect to the subject matter hereof.

17. Amendments

- 17.1 No amendment/ modification/ alternation of any of the terms of this Agreement shall be valid till it is reduced to writing and duly signed by both the Parties. Any amendment of financial/commercial nature shall be subject to final approval by the Director, DI²TM, DRDO HQrs.

* Strike out whichever is not applicable

Disclaimer: This LATOT template is generic in nature which is applicable on Cat ‘A’ as well as Cat ‘B’ LATOT. LATOT shall be made specific to a particular Case as approved by Competent Authority. DRDO reserves the right to include/ delete any of the above clauses on case to case basis with the approval of Competent Authority at any point of time without giving any prior notice

IN WITNESS HEREOF, the parties have set their hands to it on the Day,.....Month and Year..... (Two Thousand)

Signed For and on behalf of the President of India	Signed by on and behalf of M/s “Name of the Company”, City
By :	By :
Name :	Name :
Title : Director, Name of Lab, City	Title :
Date :	Date :
By :	
Title : Director, DI²TM, DRDO HQrs, New Delhi	
Title : Director, Name of Lab, City	
Date :	

In the presence of :

Witness

Witness

By : _____

By : _____

Name: _____

Name: _____

Title: _____

Title: _____

Organisation: _____

Organisation: _____

By :

Date:



Appendix 'I'

MINISTRY OF DEFENCE
DEFENCE RESEARCH & DEVELOPMENT ORGANISATION
Dte of Industry Interface & technology Management (DIITM)

Tele :

Fax :

DRDO/DIITM/ToT/

Name and Address of the Licensee

Room No.

DRDO Bhawan

New Delhi -110011

Date

Sub: ToT Certificate



(Category)

Ref:- i) "LAToT Reference".

ii) "DRDO Lab recommendation letter no for issue of ToT certificate".

1. Reference above.
2. ToT of following technology has been transferred to "**Name and of the Licensee, Place**" vide LAToT License No. _____:-
"Name of the Technology(ies) as in LAToT"
3. This is to certify that "**Name and of the Licensee, Place**" has successfully absorbed technology for Manufacture of "**Name of the Technology(ies) as in LAToT**" technology under the supervision of "**Name of the concerned DRDO Lab, Place**" & "**Name and of the Licensee, Place**" can manufacture "**Name of the Technology(ies) as in LAToT**" as per the TTD given by laboratory vide above license No.
4. This Certificate is issued on the recommendation of Director, "Name of the concerned" DRDO Lab" and has the approval of **Director, DIITM** and valid till

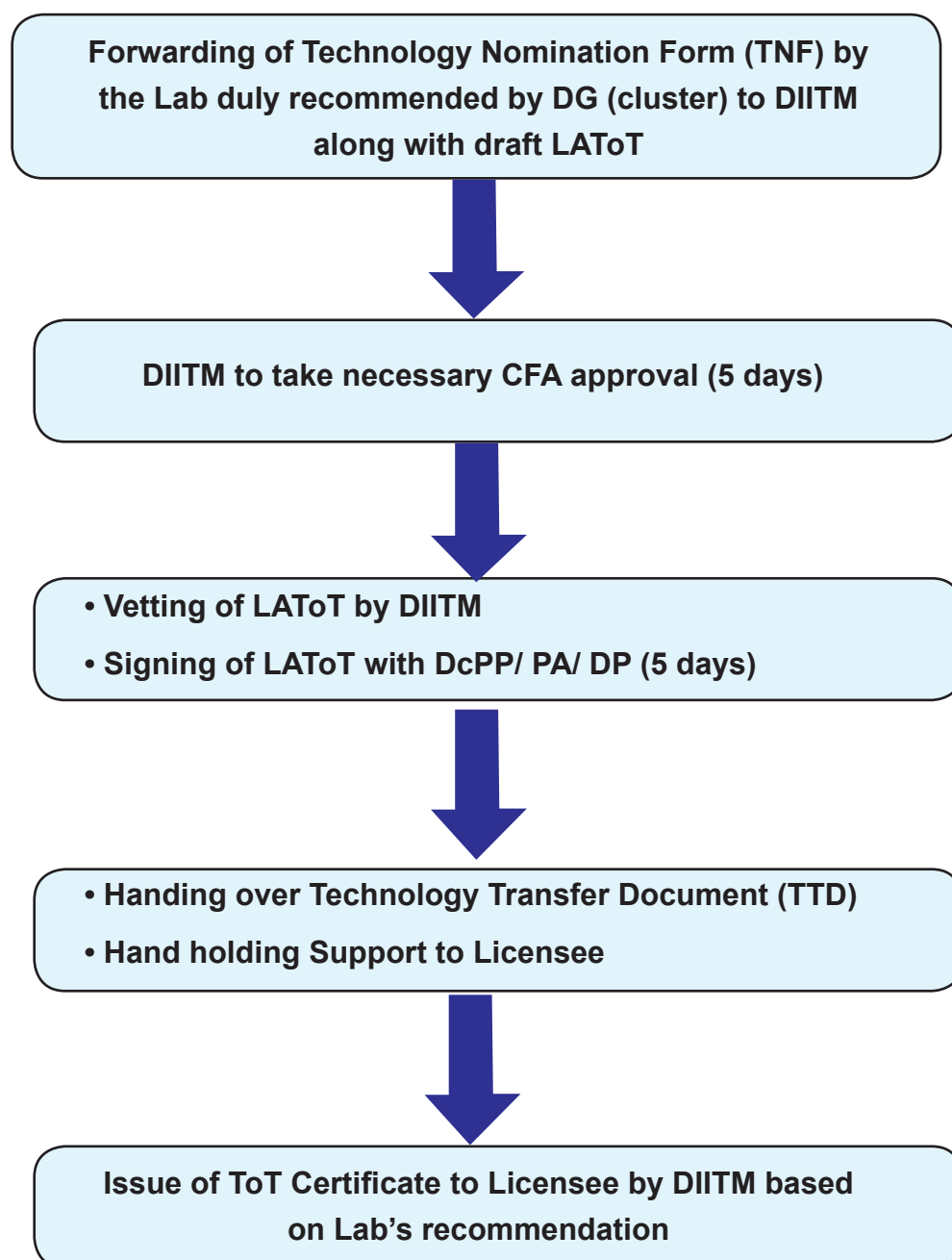
()

Issued By

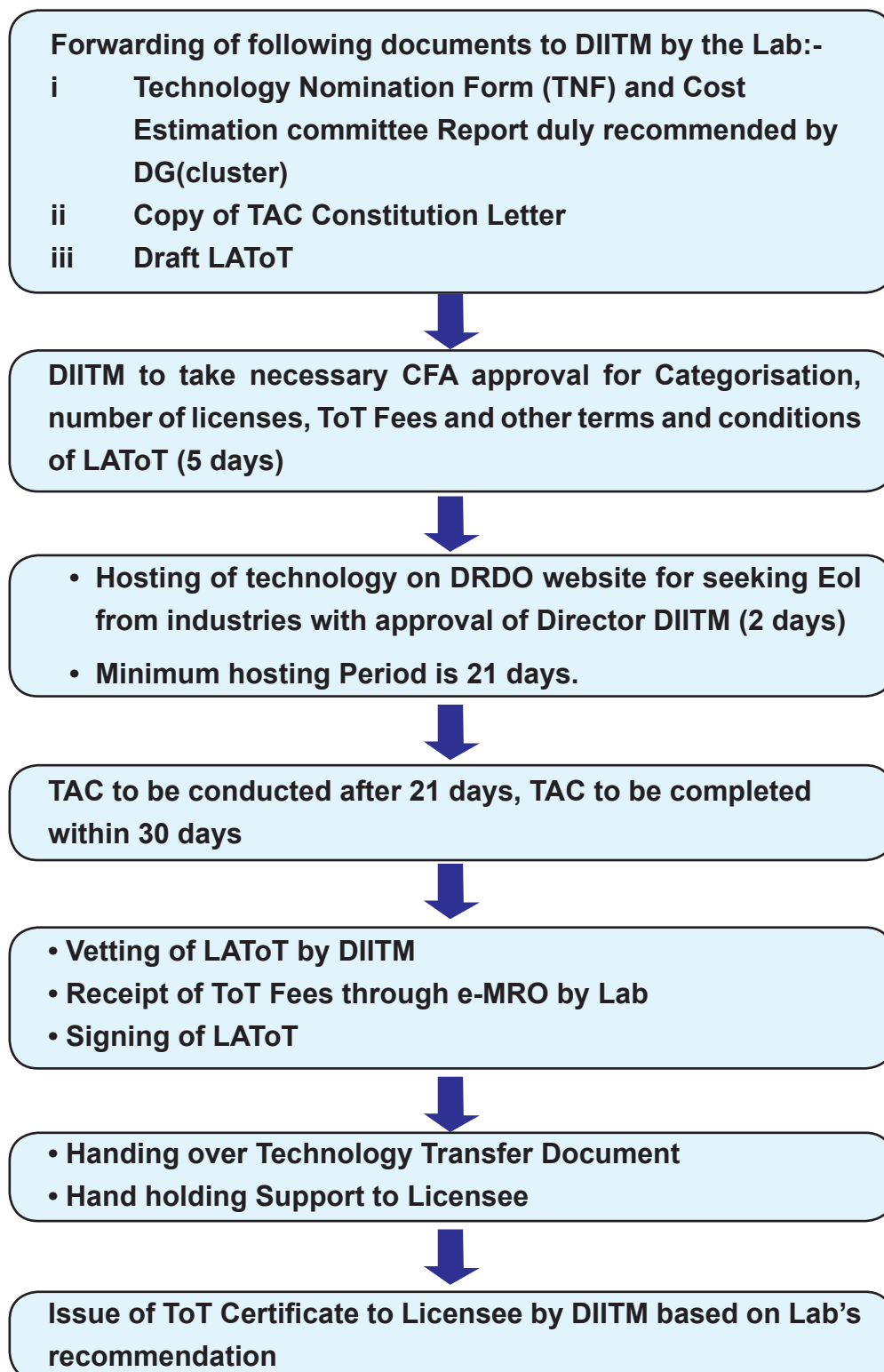
Copy to:

Concerned DRDO Lab Director

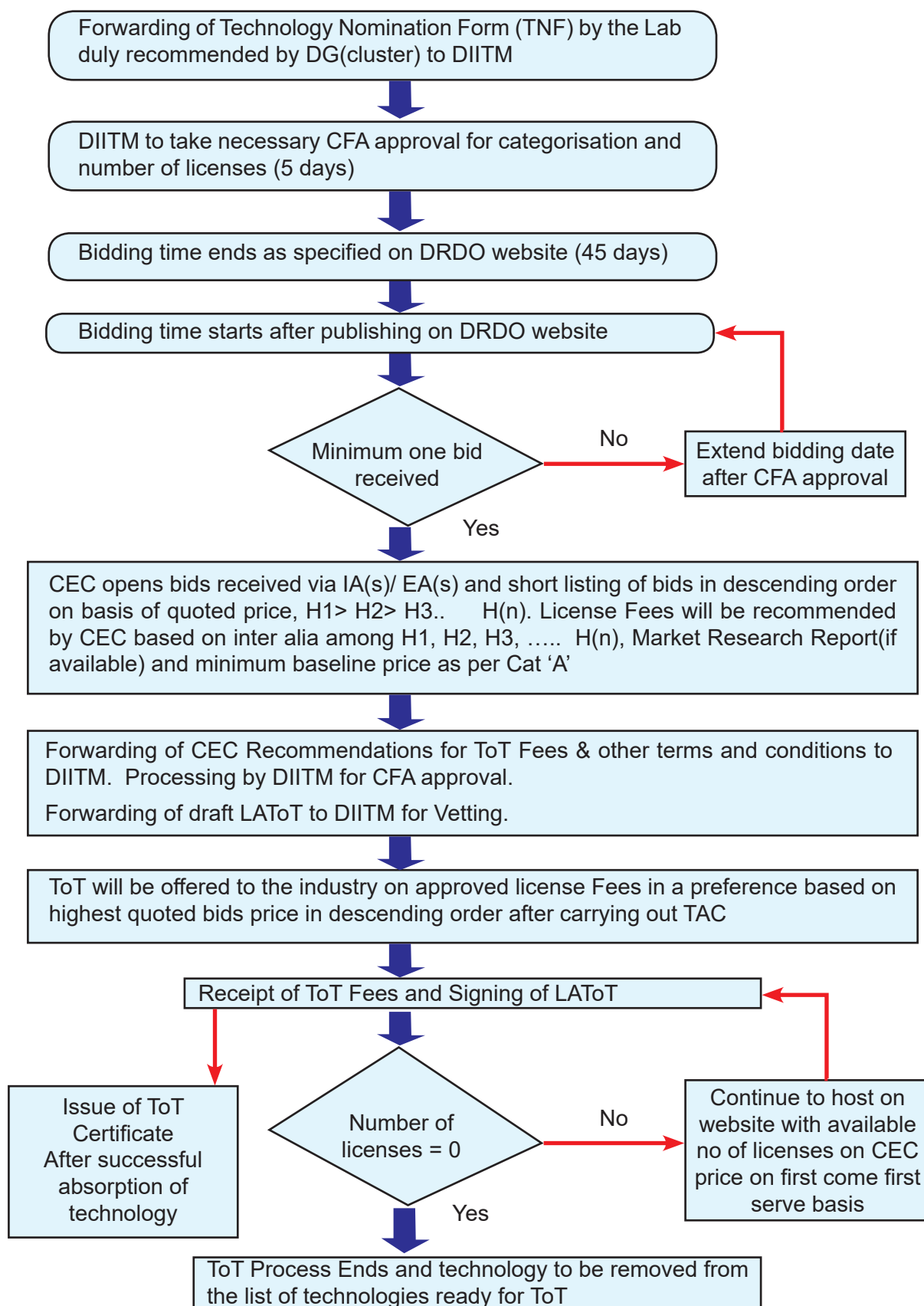
ToT Flow Chart for Cat 'A' Technology (DcPP/ PA/ DP)



ToT Flow Chart for Cat 'A' Technology (other than DcPP/ PA/ DP)



ToT Flow Chart for Cat 'B' Technology



Royalty Collection and Renewal/ Extension of Licenses

Royalty Collection by Labs through e-MRO

Yearly statement of ToT Fees & Royalty to be forwarded to

- i. DFMM for record purpose
- ii. DIITM for information



Renewal/ Extension of Licenses shall be done by Lab with approval of DG(Cluster) based on following Documents:-

- Receipt of Request for Extension/ Renewal
- No pending dues (ToT Fees, Royalty, etc.)
- Feedback of User (as applicable)
- Satisfactory past performance to be certified by Lab



Approval of renewal/ extension of license to be forwarded by the lab to DIITM for issue of renewal/ extension certificate to industry

Keywords/ Abbreviations

Addl FA	: Additional Financial Advisor
B2P	: Built to Print
B2S	: Built to specifications
CDA(R&D)	: Controller of Defence Account (Research & Development)
PCDA(R&D)	: Principal Controller of Defence Account (Research & Development)
CEC	: Cost Estimation Committee
CFA	: Competent Financial Authority
CNDA	: Confidentiality and Non-Disclosure Agreement
DcPP	: Development cum Production Partner
DP	: Development Partner
DG	: Director General
DPIIT	: Department of Promotion of Industry and internal Trade
DI ² TM/ DIITM	: Directorate of Industry Interface & Technology Management
DRDO	: Defence Research & Development Organisation
DRDS	: Defence Research and Development Services
EA	: External Agency
EOI	: Expression of Interest
IP	: Intellectual Property
IPR	: Intellectual Property Rights
LATOT	: Licensing Agreement for Transfer of Technology
MHA	: Ministry of Home Affairs
MILTECH	: Military Technology
MoD	: Ministry of Defence
MoU	: Memorandum of Understanding
MTA	: Material Transfer Agreement



NPV	:	Net Present Value
PA	:	Production Agency
PESO	:	Petroleum and Explosive Safety Organisaition
POC	:	Point of Contact
QA	:	Quality Assurance
QC	:	Quality Control
SI	:	Shortlisted Industry
TAC	:	Technical Assessment Committee
ToT	:	Transfer of Technology
TTD	:	Technology Transfer Document
TNF	:	Technology Nomination Form





Directorate of Industry Interface & Technology Management
DRDO Headquarters, DRDO Bhawan
Rajaji Marg, New Delhi-110011

Designed & Printed by
DESIDOC