



Birla Institute of Technology & Science, Pilani

Pilani Campus

Centre for Technology Business Incubator

Technology Incubation and Development of Entrepreneurs (TIDE) Scheme

Terms and conditions for Seed Funding

1. An incubate company at TIDE Centre - TBI BITS Pilani can get financial support, in the form of soft loan, of up-to Rs. 25 lakhs over two (or three) years period (subject to satisfactory performance). The amount of loan would be up to a maximum of 80% of the project cost of the incubating company.
2. The Borrower company shall ensure that Seed Loan shall be used solely for the purpose of the project as mentioned hereto and in the business plan, and not for any other purpose.
 - 2.1 Procurement of equipments
 - 2.2 Out sourcing of technical supports and services for the company's product
 - 2.3 Employee's salaries
 - 2.4 Travelling only for business and product promotion. This excludes travelling for attending conferences, seminars and other networking events.
 - 2.5 Contingencies for project cost which is not more than 10% of the project cost. (Existing companies may not qualify for this head.)
 - 2.6 For any other business purpose which needs to be justified in the application itself.
3. The Loan shall not be utilized for:
 - 3.1 Salary or compensation in any other form for promoters,
 - 3.2 Repayment of dues of promoters and their associates,
 - 3.3 Repayment of loan from any other source nor for payment of interest on the loan borrowed from such other source,
 - 3.4 For extending loans to promoters, their associates or
 - 3.5 For making any inter corporate deposits or any speculative purpose,
 - 3.6 Personal benefit of promoters or their associates
4. The Seed Fund would be disbursed as a Soft loan bearing 3% annual interest rate compounded quarterly.
5. The Seed fund will be disbursed in 3 installments over a period of 3 months and the disbursement will be based on benchmarks/ milestones proposed by the Project Review Committee.
6. At the time of repayment, the company may be given an option to repay the loan amount as below:
 - 50% of due amount in cash and the remaining 50% can be given as equity to the TIDE Centre - TBI BITS Pilani, which can be en-cashed at the time of valuation.
 - Entire amount in cashTBI - BITS Pilani will decide about the mode of repayment, which could differ from company to company.

7. The company will repay the loan in four quarterly installments with moratorium of one year. However, if a company exits from TBI-BITS Pilani before the specified repayment period, the loan should be repaid before its exit from TBI- BITS Pilani.
8. The interest on Soft Loan will be charged right from the date of disbursement. The interest amount will be paid quarterly by the company. In case the company fails to pay the interest on time, then it will be compounded quarterly.
9. The following documents/ information will be required to be submitted along with an application for seed loan:
 - a) Purpose for which seed loan is required
 - b) Certificate of Incorporation
 - c) Memorandum and Articles of Association
 - d) If an application is made after commencement of operations of a company, the company will submit its latest financial position
 - e) Promoters' contribution to the capital

Any other material to substantiate its loan application such as outstanding client orders, letters of intent for placing orders, strategic alliance agreements with customers, invoices for services rendered, and alike.

Other Conditions

1. The company shall maintain an audited record in the form of a register in the prescribed Performa for permanent, semi-permanent assets acquired solely or mainly out of TIDE Centre - TBI BITS Pilani grant.
2. The assets referred to in (1) above will be property of TIDE Centre - TBI BITS Pilani and should not, without prior sanction of TIDE Centre - TBI BITS Pilani, be disposed off or encumbered or utilised for the purposes other than those for which the grant has been sanctioned. An undertaking shall be given by the company that they agree to be governed by these conditions.
3. The Company shall send to the TIDE Centre - TBI BITS Pilani at the end of each financial year as well as at the time of seeking further installments of the grant a list of assets and their respective cost referred to in (1) above;
4. Should at any time company cease to exist, such assets etc., shall revert to TIDE Centre - TBI BITS Pilani.
5. The Company shall render progress-cum-achievement reports at interval of not exceeding three months on the progress made on all aspects of the project including expenditure incurred on various approved items during the period.
6. The Company shall render statement of accounts audited by Chartered Accountant to TIDE Centre - TBI BITS Pilani within 7 days from the date of its approval.
7. TIDE Centre - TBI BITS Pilani or its nominee/s will have the right of access to the books and accounts of the company for which a reasonable prior notice would be given.
8. If the Borrower raises other loans than the Seed Loan from other lenders, repayment of such other loans shall not be prior to the repayment of the Seed Loan.

9. The Borrower shall comply with provisions of the relevant Rules, Regulations and Acts applicable to the Borrower.
10. The borrower shall submit auditor's certificate for utilization of Loan.
11. The borrower shall submit auditor's certificate for any statutory liabilities.
12. The borrower shall not distribute any dividend pending payment of interest on the loan amount and repayment of principal amount of loan to TBI-BITS Pilani.
13. The know-how generated by the Company, shall be property of DIT. Any receipt by way of sale of know-how transfer, royalties training etc., shall accrue to DIT. DIT may, in its discretion, allow or direct a portion of such receipts to be retained by the TIDE Center - TBI BITS Pilani and ploughed back by the BITS Pilani to meet the objects of the project.
14. DIT will have the right to call for drawings, specifications and other data necessary to enable the transfer of know-how to other parties and the grantee shall supply all the needed data at the request of DIT.
15. TIDE Centre - TBI BITS Pilani shall appoint a Project Review Committee comprising of representatives from TIDE Centre - TBI BITS Pilani, DIT and other experts. Project Review Committee will periodically monitor the project in all respects including technical and financial.
16. The TIDE Centre - TBI BITS Pilani will first make all efforts to protect intellectual property generated out of the project. The TIDE Centre - TBI BITS Pilani will examine IPR protection issues in consultation with IPR Cell, DIT to file patents, register the copyrights etc. before making it public by publishing in the technical journals and books, presenting findings in Conferences etc.
17. The Intellectual property and the rights associated with it shall be assigned to DIT. In cases where the fundings have been done jointly with other organizations, the IP rights would be appropriately shared.
18. The Borrower agrees that non compliance of the above terms and condition may invite a legal action from TBI-BITS Pilani and may force the borrower to exit from the Business Incubator.



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