

# **United States - India Science and Technology Endowment Fund**

***“Commercializing Technologies for Societal Impact”***

***Second Call for Proposals***

**Information Handbook**



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# Contents

Objectives.....	3
Program Areas.....	3
Eligibility .....	3
Funding .....	3
Application Process.....	4
Stage 1: Call for Executive Summary - Process, evaluation & criteria.....	4
Stage 2: Submission of Business Plans - Process, evaluation & criteria.....	4
Stage 3: Site Inspection and Financial Due Diligence.....	5
Stage 4: Final Selection of Awardees.....	5
Illustrated Timeline and Process.....	6
Resources.....	7
Confidentiality and Intellectual Property Guidelines.....	7
Annexure I: Executive Summary Format.....	8
Annexure II: Declaration.....	10
Annexure III: Business Plan Format.....	11
Annexure IV: Due Diligence Checklist.....	13
Annexure V: Pre-Review Certification form regarding Conflict of Interest, Confidentiality and Non-Disclosure of Information for Reviewers.....	15

## United States - India Science and Technology Endowment Fund

### *“Commercializing Technologies for Societal Impact”*

The governments of the United States of America (through the Department of State) and India (through the Department of Science & Technology) have established the United States – India Science & Technology Endowment Fund for promotion of joint activities that would lead to innovation and techno-preneurship through the application of science and technology. The aim of the Fund is to support and foster joint applied R&D to generate public good through commercialization of technology achieved through sustained partnerships between US and Indian researchers and entrepreneurs.

#### **OBJECTIVES**

To select and support through a grants program financially promising joint US-India entrepreneurial initiatives. These initiatives can originate from government, academic, non-governmental or commercial entities, and any combination thereof provided they focus on applied R&D, incorporate a business plan and proof of commercial concept, and have significant sustainable commercial potential.

#### **PROGRAM AREAS**

- **Healthy individual:** Affordable biomedical devices, diagnostic / preventive / curative measures, or food and nutrition products to improve health. (Drug development and clinical trials are not eligible activities in this category).
- **Empowering citizens:** Reducing the digital/technology divide. This could include amongst others, information and communication technologies with societal impact in areas such as water, agriculture, financial inclusion, and education.

#### **ELIGIBILITY**

- Proposals must include a minimum of one partner from each country. Bi-national teams applying to the Endowment Fund will work together to commercialize technologies for societal impact.
- The Bi-national teams can include:
  - i) Start-up companies; or
  - ii) Incorporated companies; or
  - iii) Non-incorporated entities; or
  - iv) Individuals or consortia from academia, government laboratories, non-government R&D institutions.
- Each bi-national team must include at the time of application an entrepreneurial (small-scale as opposed to large-scale) entity that will receive a portion of the grant and take the technology to the market. If partners are planning to form a new venture to commercialize the technology, the proposal should include planned incorporation date and the amount of grants requested for the new entity.
- Relationships between the U.S. and Indian partners must be clearly defined, including ownership of intellectual property rights for the technology proposed to be developed and commercialized.
- The proposed technology must have potential towards commercialization within 2-3 years.

#### **FUNDING**

- Grants of up to Rs. 2.50 crores or approximately \$500,000 (*subject to exchange rate*). Proposals outside this range may be considered under exceptional circumstances at the discretion of the US-India Science & Technology Endowment Board (hereafter referred to as ‘Board’).
- The Board will give stronger preference to proposals that include a reasonable balance in the grant between Indian and U.S. partners.
- Grants will be released in a phased manner based on successful completion of milestones (which may include requirements to raise/ invest funding to match the grant at some stage).
- All milestones for the grants will be specified at the time of awarding the grant.

## APPLICATION PROCESS

### STAGE - I: CALL FOR EXECUTIVE SUMMARY

**Announcement: February 1, 2012**

**Online Submission Deadline: February 29, 2012, 11.59 pm Pacific Standard Time**

- Applicants must submit an executive summary of their project online at <http://iusstf-ef.ciiindia.org/beta>
- For the executive summary format refer to **Annexure I**
- Applicants must apply under one of the two program areas.
- Applicants will also be required to sign a declaration. For format of this declaration refer to **Annexure II**.

### EVALUATION OF EXECUTIVE SUMMARY

Two expert panels (one in each program area) comprised of subject matter experts, business professionals, entrepreneurs and Board members from both India and the United States will evaluate and shortlist the executive summary based on the evaluation criteria below. These shortlisted teams will be requested to submit a detailed business plan and make a project presentation (**Stage-II**).

### EVALUATION CRITERIA FOR EXECUTIVE SUMMARY (WEIGHTAGE)

- |   |      |
|---|------|
| • Problem you are trying to solve               | (10) |
| • Market size and customer definition           | (15) |
| • Description of product and services           | (10) |
| • Description of technology or innovation       | (10) |
| • Commercialization strategy and timeline       | (25) |
| • Past experience & accomplishments of the team | (15) |
| • Nature and need of collaboration              | (15) |

### STAGE-II: SUBMISSION OF BUSINESS PLANS AND PRESENTATIONS

**Announcement: April 1, 2012**

**Online Submission Deadline: April 30, 2012, 11.59 pm Pacific Daylight Time.**

- Shortlisted teams from Stage I to submit a business plan online in a pre-defined format and presentation at [www.indousstf.org](http://www.indousstf.org).
- For business plan format refer to **Annexure III**
- A PowerPoint presentation must be uploaded on the program website. The presentation should be geared for 15 minutes or less.
- The proposed business plan should be achievable and demonstrate strong commercial potential.
- The proposed business plan should specify the role of Indian and US partners and should enhance the bilateral interests of India and the United States.
- The proposed business plan should generate positive return on investments within the proposed investment timeframe.
- The proposed business plan should clarify the ownership of intellectual property rights.
- The proposed business plan should demonstrate a commitment to responsible and ethical business practices.

## EVALUATION OF BUSINESS PLANS

The shortlisted teams will be called for **presentations on or before May 20, 2012**. For each shortlisted proposal, the Indian partner will present before the Indian Expert panel and the US partner will present before the US Expert panel. The expert panel will include subject experts, business professionals, entrepreneurs and Board members from India and the United States. Each applicant will be given 15 minutes to present the business plan followed by question and answer session. The Indian and US expert panels will **select the 6 Finalists** through a joint meeting.

## EVALUATION CRITERIA FOR BUSINESS PLAN AND PRESENTATION (WEIGHTAGE)

- Problem you are trying to solve (10)
- Market size and customer definition (10)
- Description of product and services (10)
- Description of technology or innovation (5)
- Commercialization strategy and timeline (20)
- Past experience & accomplishments of the team (10)
- Nature of collaboration (10)
- Sales and marketing strategy (10)
- Financial projections (5)
- Risks and challenges for scaling-up (10)

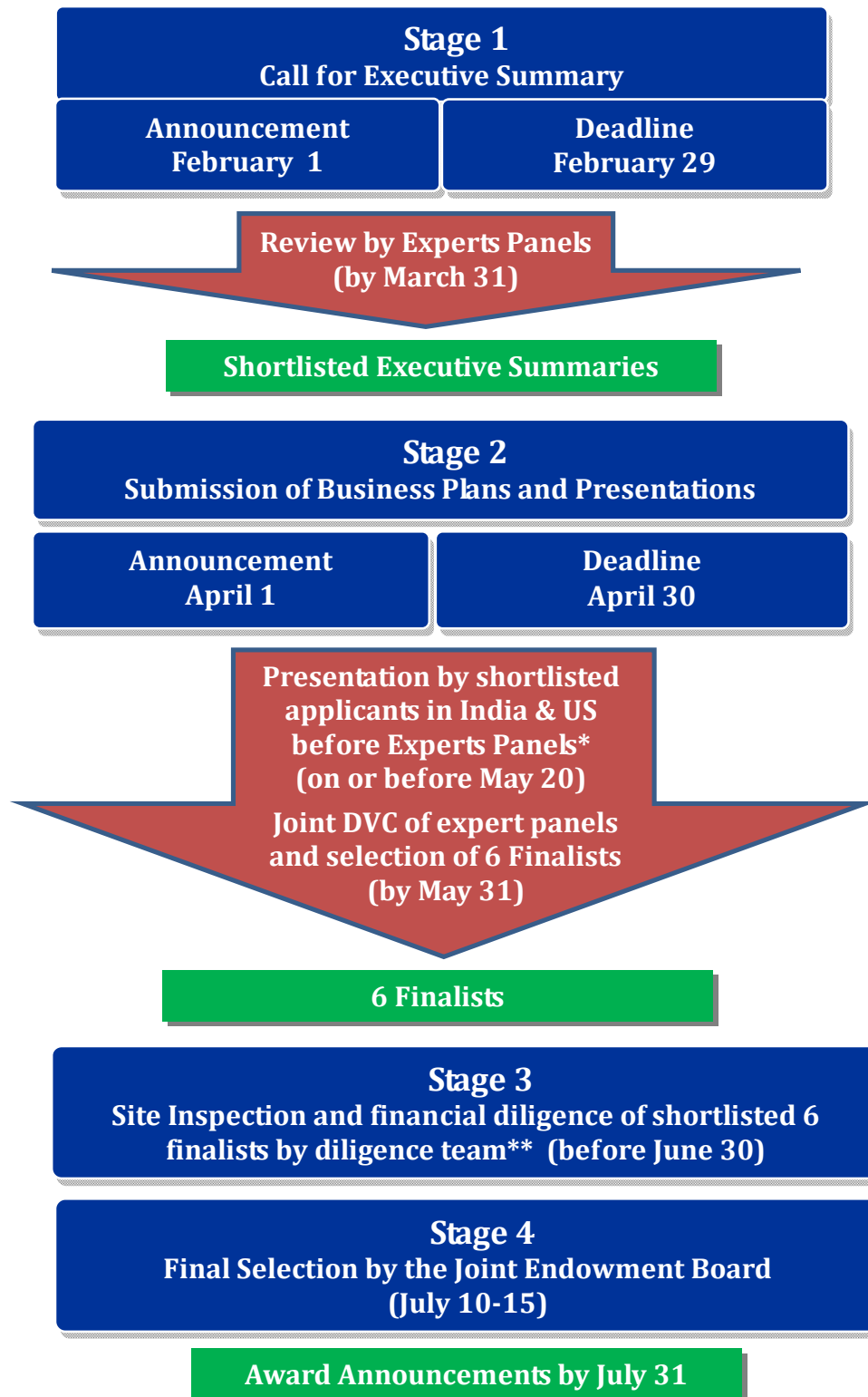
## STAGE-III: SITE INSPECTION AND FINANCIAL DILIGENCE

On or about June 1, 2012, the six finalist teams will be given a due diligence checklist – see **Annexure IV**. Applicants will have 10 business days to respond with the requested information after which the Board will schedule a site visit to complete process. These visits shall be conducted for both Indian and US partners **before June 30, 2012**. The due diligence team will be constituted in each country and will be comprised of financial and technical experts, and Board representatives. The teams will conduct inspection using a given diligence check-list **Annexure-IV**. Failure to provide requested information in the due diligence process will result in disqualification.

## STAGE-IV: FINAL SELECTION OF AWARDEES

The Board will make the final decision based on the recommendations of the Joint Expert Panel and due diligence reports. The Endowment Board will select up to 2 awardees in each focus area (total of 4). The Board reserves the right to adjust elements of the selection process and inform applicants of any adjustments, and to reasonably interpret the language and definitions of this handbook in cases of dispute or confusion. **The award announcements will be made by July 31, 2012.**

## ILUSSTRATED TIMELINE AND PROCESS



\* The Expert Panels would be comprised of subject matter experts and select Board members.

\*\* The due diligence team would be comprised of financial and technical experts and Board members.

## RESOURCES

### Business Plan

Sequoia Capital: "Writing a Business Plan"

<http://www.sequoiacap.com/ideas>

Ernst & Young: "Outline for a Business Plan"

[http://techventures.org/resources/docs/Outline for a Business Plan.pdf](http://techventures.org/resources/docs/Outline_for_a_Business_Plan.pdf)

SBA: "Write a Business Plan"

<http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business>

Entrepreneur Magazine: Plan your Plan

<http://www.entrepreneur.com/startingabusiness/businessplans/article38292-1.html>

## CONFIDENTIALITY AND INTELLECTUAL PROPERTY GUIDELINES

All reviewers would sign a non-disclosure and conflict of interest agreement (*Annexure V*) with the Indo-US Science & Technology Forum (IUSSTF), Executive Secretariat for the United States – India Science & Technology Endowment Board. All information provided throughout the proposal process will be kept in strict confidence, however, neither the Endowment Board nor IUSSTF will enter into non-disclosure agreements with any applicants.

## US-India Science and Technology Endowment Fund

### Executive Summary Format

#### 1. Basic Information

- i) **Title of Proposal**
- ii) **Program Area**
- iii) **Contact Information**
  - a) **Lead US Partner**
    - Industry/Organization
    - Address
    - Country
    - Zip Code
    - Contact Person
    - Contact Number
    - Email Id
    - Website
  - b) **Lead Indian Partner**  
(Same Details as in iii(a))
  - c) **Option to Add more Partners**

#### 2. Problem you are trying to solve

**Weight: 10%**

- a) Describe the problem and proposed solution 150 Words
- b) What are the existing alternate solutions that people are using and cost of those solutions 150 Words

#### 3. Market size and customer definition

**Weight: 15%**

- a) Describe your target customer 100 Words
- b) Give a sense of market size in number of customers and in dollar/INR value terms 100 Words
- c) Market share that can be achieved 50 Words
- d) Geographies where the product could be applied 50 Words

#### 4. Description of Product and services

**Weight: 10%**

- a) Price of the product/services at commercial scale 50 Words
- b) Describe key feature and benefits - how will you sustain the business 150 Words

#### 5. Description of Technology or Innovation

**Weight: 10%**

- a) What is new/innovative in the technology/service which is not offered by other companies, that would make societal impact 150 Words
- b) What is the proprietary nature of the technology/service? Provide details of intellectual property protections (how easily can it be copied?) 100 Words
- c) IP sharing arrangement between all Indian and US partners resulting from the outcome of the proposed joint project 150 Words

<b>6. Commercialization Strategy and Timeline</b>	<b>Weight: 25%</b>
a) Is there a commercial entity which has been setup?	Yes/No
b) (If yes) Where is it based?	50 Words
c) (If no) When and Where will it be formed?	50 Words
d) What is the current status of the product/service?	150 Words
e) What are the key milestones and related timelines for commercializing the product/service?	150 Words
<b>7. Past Experience &amp; Accomplishments of the Team</b>	<b>Weight: 15%</b>
a) US Team	150 Words
b) Indian Team	150 Words
c) Other Partners (If any)	150 Words
<b>8. Nature and need of Collaboration</b>	<b>Weight: 15%</b>
a) Describe US role in the partnership	150 Words
b) Describe Indian role in the partnership	150 Words
c) Describe the role of other Partners (If any)	150 Words
d) Describe relationship between the parties (has MOU been signed; who owns IP?)	150 Words

## **Declaration from Endowment Applicants**

1. All information submitted in this online application is true and to the best of my knowledge.
2. I understand and agree to the fact that the evaluation of all applications will be undertaken by US-India Science and Technology Endowment Board in consultation with external experts and per the need of the application.
3. Originality: I declare that all Intellectual Property, if any, belongs to me or if it is the property of, a third party, the originator of the idea has agreed in writing to permit me to use the Intellectual Property.
4. Eligibility: I declare that to the best of my knowledge, I am eligible to make an application for the US-India Science and Technology Endowment Fund.
5. I understand that the decisions of the US-India Science and Technology Endowment Board will be final. No communication will be entered into with any person in relation to any decision of the US-India Science and Technology Endowment Board.
6. No liability: I understand that the US-India Science and Technology Endowment Board, Centre for Innovation, Incubation and Entrepreneurship and members of Evaluation Panel or any employee or agent of US-India Science and Technology Endowment Board will NOT be liable for: (a) any costs incurred or loss or liability suffered by the participants or any third party in relation to US-India Science and Technology Endowment or as a result of their own research and/or commercial activities; (b) any lost expectation of profits by participant or any third party (c) any failure by participant or any third party to understand their rights in relation to Intellectual Property or (d) any other benefit the applicant or any third party may expect to gain by participating in US-India Science and Technology Endowment program.
7. I understand that US-India Science and Technology Endowment Board may change the Terms and Conditions of application at any time without specific notice. The amended Terms and Conditions of Entry will be effective immediately upon being posted on the Website. Important changes to the Terms and Conditions may be highlighted on the Website for my convenience; however, I acknowledge that it is my sole responsibility to regularly visit the Website to read any changes to the Terms and Conditions of Application.
8. Termination: I understand that US-India Science and Technology Endowment Board may at any time and for any reason: (a) disqualify an applicant if the evaluation panel in their absolute discretion, determines that such disqualification is warranted; or (b) discontinue US-India Science and Technology Endowment program by posting a notice to that effect on the Website.
9. I understand that prior to the award being made; all partners have to submit to the Secretariat a signed copy of a mutually agreed upon IPR sharing agreement based on the principles of the Indo-US S&T Agreement (2005) as attached on the Application Guidelines Page.
10. Disputes, if any, are subject to the jurisdiction in the courts of Delhi only.

I accept all the above terms and conditions

## US-India Science and Technology Endowment Fund

### Business Plan Format

#### 1. Basic Information

- i) **Title of Proposal**
- ii) **Program Area**
- iii) **Contact Information**
  - a) **Lead US Partner**
    - Industry/Organization
    - Address
    - Country
    - Zip Code
    - Contact Person
    - Contact Number
    - Email Id
    - Website
  - b) **Lead Indian Partner**  
(Same Details as in iii(a))
  - c) **Option to Add more Partners**

#### 2. Problem you are trying to solve Weight: 10%

- a) Describe the problem and proposed solution 150 Words
- b) What are the existing alternate solutions that people are using and cost of those solution? 150 Words

#### 3. Market size and customer definition Weight: 10%

- a) Describe your target customer 100 Words
- b) Give a sense of market size in number of customers and in dollar/INR value terms 100 Words
- c) Market share that can be achieved 50 Words
- d) Geographies where the product could be applied 50 Words

#### 4. Description of Product and services Weight: 10%

- a) Price of the product/services at commercial scale 50 Words
- b) Describe key feature and benefits (how will you sustain the business?) 150 Words

#### 5. Description of Technology or Innovation Weight: 5%

- a) What is new/innovative in the technology/service which is not offered by other companies, that would make societal impact) 150 Words
- b) What is the proprietary nature of the technology/service? 100 Words  
Provide details of intellectual property protections (how easily can it be copied?)
- c) IP sharing arrangement between all Indian and US partners resulting from the outcome of the proposed joint project 150 Words

<b>6. Commercialization Strategy and Timeline</b>	<b>Weight 20%</b>
a) Is there a commercial entity which has been set up?	Yes/No
b) (If yes) Where is it based?	50 Words
c) (If no) When and Where will it be formed?	50 Words
d) What is the current status of the product/service?	150 Words
e) What are the key milestones and related timelines for commercializing the product/service?	
<b>7. Past Experience &amp; Accomplishments of the Team</b>	<b>Weight: 10%</b>
a) US Team	150 Words
b) Indian Team	150 Words
c) Other Partners (If any)	150 Words
<b>8. Nature and need of Collaboration</b>	<b>Weight: 10%</b>
a) Describe US role in the partnership	150 Words
b) Describe Indian role in the partnership	150 Words
c) Describe the role of other Partners (If any)	150 Words
d) Describe relationship between the parties (has MOU been signed; who owns IP?)	150 Words
<b>9. Sales &amp; Marketing Strategy</b>	<b>Weight: 10%</b>
a) Describe Channels to be used for the same	150 Words
b) Partnerships - mention existing & expected separately	150 Words
<b>10. Financial Projections</b>	<b>Weight: 5%</b>
a) Profit and Loss Statement/Projection	-
b) Cash Flow Statement/Projection	-
c) Use of funds	-
<b>11. Risks &amp; Challenges for scaling up</b>	<b>Weight: 10%</b>
a) Manufacturing Challenges (If any)	150 Words
b) Customer	100 Words
c) Service	100 Words
d) HR	100 Words

## US-India Science and Technology Endowment Fund

### Due Diligence Checklist

#### I. General Financial Information

##### **A. Annual information for the past three years**

- i) Income statements, balance sheets, cash flows, and footnotes
- ii) Management financial reports
- iii) Breakdown of sales and gross profits by Product Type and Geography

##### **B. Financial Projections**

- i) Financial projections for the next three fiscal years
- ii) Major growth drivers and prospects
- iii) Risks attendant
- iv) Economic assumptions underlying projections (different scenarios based on price and market fluctuations)
- v) Explanation of projected capital expenditures, depreciation, and working capital arrangements
- vi) External financing arrangement assumptions

##### **C. Capital Structure**

- i) Current and near future shares holding pattern
- ii) Summary of all debt instruments/bank lines with key terms and conditions

##### **D. Other financial information**

- i) Summary of current federal, state and foreign tax positions, including net operating loss carry-forwards
- ii) Discuss general accounting policies (revenue recognition, etc.)

#### II. Current and Proposed (to be developed under the grant) Products/ Services

##### **A. Description**

- i) Major customers and applications
- ii) Historical and projected growth rates
- iii) Market share
- iv) Speed and nature of technological change
- v) Timing of new products, product enhancements
- vi) Cost structure and profitability

##### **B. Customer Information**

- i) List of top customers (by product/ service) for the past two fiscal years and current year
- ii) List of strategic relationships

##### **C. Description of the competitive landscape**

- i) Market position and related strengths and weaknesses as perceived
- ii) Basis of competition (e.g., price, service, technology, distribution)

##### **D. Marketing, Sales, and Distribution Strategy and implementation**

- i) Discussion of domestic and international distribution channels
- ii) Positioning of the Company and its products
- iii) Marketing opportunities/marketing risks
- iv) Description of marketing programs and examples of recent marketing /product/ public relations/media information on the Company
- v) Principal avenues for generating new business
- vi) Ability to implement marketing plan with current and projected budgets

### **III. Research and Development**

#### ***A. Description of R&D organization***

- i) Strategy
- ii) Key Personnel
- iii) Major Activities

#### ***B. New Product Pipeline***

- i) Status and Timing
- ii) Cost of Development
- iii) Critical Technology Necessary for Implementation
- iv) Risks

### **IV. Management and Personnel**

- i) Organization Chart
- ii) Headcount by function and location
- iii) Summary biographies of senior management, including employment history, age, service with the Company, years in current position

### **V. Legal and Related Matters**

- i) Pending lawsuits against the Company
- ii) Pending lawsuits initiated by Company
- iii) Description of environmental/ safety/ ethical issues involved and their consequences
- iv) List of patents, copyrights, licenses, and trademarks (issued and pending)
- v) Summary of insurance coverage/any material exposures

## U.S. - India Science and Technology Endowment Board

### Pre-Review Certification form regarding Conflict of Interest, Confidentiality and Non-Disclosure of Information for Reviewers

**A. Confidentiality and Non-Disclosure:** I fully understand the confidential nature of the review process and agree: (1) to destroy or return all materials related to the evaluation; (2) not to disclose or discuss the materials associated with the review, my evaluation, or the review meeting outside of that meeting or with any other individual except as authorized by the Indo-U.S. Science and Technology Forum (IUSSTF); (3) not to disclose procurement information prior to the award of a contract and (4) to refer all inquiries concerning the review to IUSSTF.

**B. Conflict of Interest for All Reviewers:** This is to certify that in the review identified above, I did not participate in an evaluation of any application or proposal; (1) from any applicant institution or offer or where I am a full – or part-time salaried employee or where I am negotiating for such employment; (2) from any applicant institution or offer or where I have received or could receive a direct financial benefit in relation to the application on proposal under review or have received or could receive a financial benefit from the applicant institution or offer or principal investigator that is unrelated to the application or proposal under review; (3) submitted by a close personal relative, a member of my household, or professional associate, or if such person receives financial benefits from or provides financial benefits to an applicant or offer or. If there was an appearance or real conflict of interest, or (4) any application submitted by my former (within the past year) employer I recused myself from the review of the application/proposal or was granted an appropriate waiver.

**C. Conflict of Interest for Government reviewers:** This is to certify that in the review identified above, I did not participate in an evaluation from (1) any applicant institution where I have an outside activity; (2) any applicant institution where I serve as an officer, director, trustee or partner; (3) any applicant institution where I am seeking employment; (4) any applicant institution in which I, my spouse, and my minor child holds stock/ share; (5) any applicant institution where my spouse is employed; (6) any application submitted by a close personal relative, a member of my household, a colleague with whom I have a business or other contractual relationship, the employer of my spouse, parent, or child, or (7) any application submitted by my former (within the past year) non-Government employer. If there was an appearance or actual conflict of interest, I recused myself from the review of the application/proposal or was granted an appropriate waiver.

#### CERTIFICATION

Under penalty of perjury, I fully understand the confidential nature of the review process and agree to confidentiality and non-disclosure (Paragraph A) and certify that in the review above I did not participate in an evaluation of any application or proposal with which I knowingly had a conflict of interest (Paragraph B or C)

Printed Name

Signature



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