



Biotechnology Innovation Fund – AcE Frequently Asked Questions (FAQs)

1. Question: What is the upper limit for Daughter Fund investment by the AcE Fund Partner?

Answer: The Daughter Fund investment under the AcE Fund mandate of upto INR 7,00,00,000/- in an individual Biotech Portfolio Entity, is permissible for the purpose of counting towards the 2X investment requirement as per point 7 of the Contribution Order and Terms for AcE Fund.

Follow-on round of funding in compliant startups, may also be counted towards the total investment requirement (2X of BIRAC AcE Fund commitment) based on following conditions: -

- A. Follow-on funding is permissible specifically and limited to a 2nd round in already invested company. An AcE fund partner's commitment in biotech sector may include counting of upto INR 3.5 Cr investment in the same company from a follow-on round limited to maximum of 25% of the total amount committed in compliance with the BIRAC's 2x computation. This is in addition to the INR 7Cr limit in one company.
- B. Additionally, in such follow-on investment rounds, the presence of one external VC as investor is must.

2. Question: What is the requirement of having a minimum of 51% of the shareholding (on an as-converted basis) held either directly by Indian Person(s) or in case of an indirect structure are ultimately owned by Indian Person(s) as per point number 8 of Contribution terms and order?

Answer: Indirect Structure here denotes any Legal Entity that shares ownership. Reference: Consolidated-fdi-policy-circular-2017 Link:

<https://dipp.gov.in/whats-new/consolidated-fdi-policy-circular-2017>

3. Question: BIRAC reserves the right to appoint a Nominee or an Observer for the Investment Committee/Contribution Advisory Committee/ Biotech Advisory Committee. Who shall be such Nominee/Observer?

Answer: Nominee/Observer for the Investment Committee/Contribution Advisory Committee/ Biotech Advisory Committee is the Special invitee from BIRAC who shall be the BIRAC representative to keep an eye on the activities.

4. Question: Who will be called as The Ace Fund Manager for Investments?

Answer: The term Ace Fund Manager refers to the entity (AIF) and shall include such Key person(s) or authorized person engaged for undertaking the agreement objectives.

5. Question: Whether 30 months' time period with reference to clause no. 19, can be waived?

Answer: Final Decision for Waiver/relaxation of the condition related to time period can only be considered by the Apex Ace Fund Committee.

6. Question: Drawdown notice period of 30-days, can it be altered or extended?

Answer: BIRAC shall endeavour to effect drawdown notice within 30 days. Note: Liability for any delay in the timeline due to absence of documents to be submitted along, will be on the AcE Fund Manager.